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REPORT ON THE HAT INDUSTRY

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C O N F I D E N T I A L

REPORT ON

THE

HAT INDUSTRY

PART I.

Prepared by Economic Section,
Wage and Hour Division, for
Industry Committee No. 4.

September 5, 1939

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PART I.

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INTRODUCTION

The "Preliminary Report on the Hat Industry" which was mailed by the Economic Section of the Wage and Hour Division to members of Industry Committee No. 4 under date of May 10, 1939, provided background material relating to the industry as a whole, as well as to its individual branches.

In addition to a revision and amplification of that material which appears in Part I of the present report, Part II covers average hourly earnings, the estimated percentage increase in the wage bills and operating costs, and other factors bearing on costs, prices, and demand.

REPORT ON THE HAT INDUSTRY

I. FACTORS BEARING ON THE QUESTION OF NET SUBSTANTIAL CURTAILMENT OF EMPLOYMENT IN THE INDUSTRY AS A WHOLE

A. DEFINITION

The term "hat industry" as used in Administrative Order No. 22, signed May 6, 1939, covers: 1/

"(a) The manufacture from any material of headwear for men or boys, except caps and cloth hats;
(b) the manufacture of felt hat bodies from fur or wool for men's, boys', women's or children's hats;
(c) the manufacture or processing of hatters' furs."

1. Exclusions

The definition excludes caps 2/ and cloth hats 3/ (which have both been placed within the scope of the industry committee for wearing apparel) because they are produced by a separate industry by processes of cutting and sewing common to the production of other

---

1/ Administrative Order No. 22, published in Federal Register, May 9, 1939, amended Administrative Order No. 16, press release of the Administrator, R-212, March 10, 1939.

2/ Including dress, uniform, shop, and railroad caps, manufactured from cloth, leather, leatherette, or any combinations of said materials.

3/ The cloth hat division is only a minor branch of the cap and cloth hat industry. The Women's Bureau of the U.S. Department of Labor, in a survey of the industry conducted in 1936-37, found that five-sixths of the 64 plants included in the sample study were making caps exclusively. In 11 of the 12 plants producing some other product than caps, cap output was valued at more than 60 percent of total production. Uniform jackets, pants, overalls, and leggings were also produced in four of the plants. Caps are sometimes made as a secondary product in plants producing uniforms and work clothing.

types of apparel. 1/ Selling in price ranges different from other headwear for males, caps and cloth hats are essentially non-competitive with wool-felt, fur-felt, or straw hats. 2/ Millinery, which is also non-competitive and is subject to different production conditions because of the very strong influence of the style factor in articles of women's apparel, is likewise excluded from the definition. The millinery departments of those few large hat corporations which trim and finish women's hats are covered by the millinery definition. Men's hat and cap materials 3/ (except hatters' fur) are also outside the scope of the present definition. These materials are produced both by hat manufacturers and by material supply manufacturers for sale to the hat industry. 4/

2. Inclusions

The integration of the operations in the production of men's hats justified the inclusion (apart from those exclusions just noted) of all operations, processes, and products within a single definition. Such a definition has the merit of reducing the possibility of needlessly establishing separate minimum wage rates for labor in the same establishment which might result from the recommendations of different

---

1/ Prior to 1937, hats and caps, except felt and straw, were classed by the Bureau of the Census with men's furnishing goods rather than with the hat industry. The N.R.A. code for the hat industry likewise excluded cloth hats and caps.

2/ The terms "fur-felt" and "wool-felt" will be used in this report for brevity, instead of the strictly correct terminology, felt hat bodies or hats of fur, or of wool. The "felt" does not exist until the fur or wool has been processed into the shape of a hat body.

3/ Such as leather sweatbands, linings, ribbon hatbands, visors, bindings, trimmings, tip printing, etc.

4/ Under the Census definition of the related hat industry group, men's hat and cap materials are considered as part of the hat industry; the N.R.A. hat code, however, did not extend to materials.

committees. The definition, therefore, was made to cover the production of hatters' fur and the complete fabrication of hats (except cloth hats and caps) for men or boys. 1/

A number of manufacturers producing wool-felt hats also make fur-felt hats. Some manufacturers of felt hats also produce men's and boys' straw hats. A separation on the basis of materials entering into production would needlessly introduce duplicating jurisdiction in these plants.

The attention of the Committee is directed to the question of whether silk and opera hats, harvest hats, and renovated hats are sufficiently covered by inference in the present definition of the hat industry or whether they should be specifically mentioned in a revised definition which the Committee may decide to recommend. 2/

3. Overlaps

The only important case of overlapping of the jurisdiction of the hat committee with that of other industry committees seems to occur in the production of millinery by companies which also manufacture hat bodies and hats.

1/ Census and N.R.A. code definitions also cover the complete fabrication of men's hats, except that under the code, hatters' fur was not included. It must be observed, also, that the manufacture of men's finished wool-felt hats from purchased bodies is classed as millinery by the Census. This practice, if adopted in the present definition, would split identical products into two artificially different categories with possible complications in the event of different minimum wage standards being recommended by two industry committees.

2/ The N.R.A. code for this irdustry mentioned these items specifically. The Census, prior to 1937, grouped silk and opera hats with men's furnishing goods.

B. DESCRIPTION OF THE INDUSTRY

1. Production economics

a. Size [1]

(1) Number of employees

The average number of wage earners for the related hat industry and for individual branches is shown in Table 1, which covers the period of 1929-1937. During this time employment for the entire industry rose from 24,500 to 25,400 (an increase of 3.8 percent) entirely as a result of the growth of the wool-felt branch of the industry, in which employment almost doubled. In other branches, relatively small decreases in employment occurred. In 1937, the fur-felt branch accounted for about 62 percent of the industry's total employment, as compared with 16 percent for wool-felt, 12 percent for straw hats, and 10 percent for hat materials.

(2) Number of establishments

Despite the fact that the number of wage earners in the hat industry increased in the period 1929-1937, the number of establishments decreased from 335 to 270 or about 20 percent, indicating a tendency toward concentration of the industry into larger production units. [2] In the men's straw hat branch, however, the proportion of decrease in employment was almost double that in establishments. On the other hand, the wool-felt branch had the same number of establishments in 1937 as in 1929, while employment increased almost 100 percent. The 38 percent drop in the number of

---

1/ Comparisons of statistics relating to value of products, wages, cost of material and value added by manufacture are made readily available in Table A, Appendix A.

2/ Other data relating to size of establishments will be found in Tables 9 and 10.

Table 1. -- Hat Industry: [a] Number of Wage Earners for Related-Industry Group and for Individual Branches of Industry, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	Number of Wage earners				
Related-industry group . .	24,511	20,385	19,216	23,066	25,432
Fur-felt	16,539	14,084	12,540	14,660	15,926
Wool-felt.	2,028	1,543	1,631	3,005	4,038
Straw hats, men's. . . .	3,380	2,823	3,147	2,918	3,024
Hat and cap materials, men's .	2,564	1,935	1,898	2,483	2,444
	Index (year 1929 = 100)				
Related-industry group . .	100.0	83.2	78.4	94.1	103.8
Fur-felt	100.0	85.2	75.8	88.6	96.3
Wool-felt.	100.0	76.0	80.4	148.2	199.1
Straw hats, men's. . . .	100.0	83.5	93.1	86.3	89.5
Hat and cap materials, men's .	100.0	75.5	74.0	96.8	95.3

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies. The Bureau of the Census, Biennial Census of Manufactures, 1935, "Hats, Except Cloth Hats and Millinery", p. 319, describes the related-industry group as comprising the following:

Fur-Felt Hats - Stiff and soft hats and hat bodies made chiefly from hatters' fur, for men, women, and children.

Wool-Felt Hat Bodies, Carded - Carded wool-felt bodies for men's, women's, and children's hats, and hats finished from these bodies in the same factories. The chief materials used are wool, wool noils, wool shoddy, etc. (Establishments engaged in finishing men's, women's, and children's wool-felt hats from purchased bodies are classified in the Millinery industry.)

Straw Hats, Men's - The manufacture of men's straw hats and the bleaching and finishing of Panama and other straw hats. (Trimmed hats for women and children are classified under "Millinery".)

Hat and Cap Materials, Men's - Hatters' fur, sweatbands, visors, linings, bindings, trimmings, tip printing, etc.

Inasmuch as part (a) of the Wage-Hour definition of the hat industry is restricted to the manufacture of headwear for men or boys, except caps and cloth hats, wherever possible Census data with respect to finished women's hats have been segregated in this report to the committee. Hatters' fur is the only hat and cap material covered by the Wage-Hour definition. Whenever, throughout this report, data for hatters' fur are not separately available, statistics for men's hat and cap materials (of which hatters' fur constituted two-thirds of the total value in 1935) are given instead.

establishments in men's hat and cap materials was over four times as severe as the average for the other three branches (see Table 2).

Table 2. — Hat Industry:[a] Number of Establishments[b] in the Related-Industry Group and in Individual Branches, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	Number of establishments				
Related-industry group	335	292	248	302	270
Fur-felt	159	138	117	152	140
Wool-felt	14	9	9	12	14
Straw hats, men's	50	50	46	50	47
Hat and cap materials, men's	112	95	76	88	69
	Index (year 1929 = 100)				
Related-industry group	100.0	87.2	74.0	90.1	80.6
Fur-felt	100.0	86.8	73.6	95.6	88.1
Wool-felt	100.0	64.3	64.3	85.7	100.0
Straw hats, men's	100.0	100.0	92.0	100.0	94.0
Hat and cap materials, men's	100.0	84.8	67.9	78.6	61.6

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ The Census (1935) defined an establishment as follows: "As a rule, the term 'establishment' signifies a single plant or factory. In a few cases it refers to two or more plants operated under a common ownership and located in the same city, or in the same county but in different municipalities or unincorporated places having fewer than 10,000 inhabitants. On the other hand, separate returns are occasionally obtained for activities belonging to different industries carried on in the same plant, in which event a single plant is counted as two or more establishments. In the majority of the industries, however, the difference between the number of establishments and the number of plants is negligible."

(3) Wages and salaries

About $26,300,000 were paid out in wages by the related-industry group in 1937, an increase of 9 percent over 1935, and 57 percent over 1933. Despite this strong upward trend, wages paid in 1937 were still 16 percent below those of 1929. The fur-felt hat branch accounted for 68 percent of the wages paid in 1937, wool-felt 14 percent, men's straw hats 10 percent, and men's hat and cap materials 8 percent. Each of these branches participated in varying degrees in the general wage trends, with the wool-felt branch showing an outstanding recovery since 1933, and with wages in 1937 exceeding the 1929 level by 60 percent. This increase in wages was considerably less than the increase in the number of wage earners, and a comparison of Tables 1 and 3 reveals that in the other branches, too, wage indexes in 1937 were lower than those for number employed. 1/

Data on salaries 2/ are available for the years 1929 and 1935. A comparison for these two years shows that salaries for the related-industry group dropped from $8,400,000 to $4,552,000, or 46 percent. The decline was sharpest in the fur-felt branch (50 percent) and least in the men's hat and cap materials (26 percent). In 1935, salaries paid in the related-industry group were equal to 19 percent of wages.

(4) Cost of materials

The industry's materials 3/ cost $60,509,000 in 1937, or about 30 percent less than in 1929 (see Table 4). In the fur-felt

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1/ See also Table B, Appendix A.
2/ Paid to salaried officers of corporations, supervisory, technical, and clerical employees.
3/ Plus supplies, containers, fuel, and purchased electric energy. See footnote 1, page 9 for warning on duplication in statistics relating to cost of materials.

Table 3. -- Hat Industry: [a] Wages Paid by Related-Industry Group and by Individual Branches of Industry, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	In thousands of dollars				
Related-industry group	31,381	22,789	16,720	24,200	26,265
Fur-felt	22,502	16,538	11,935	16,454	17,705
Wool-felt	2,315	1,390	1,264	2,896	3,714
Straw hats, men's	3,688	2,784	2,056	2,644	2,692
Hat and cap materials, men's	2,876	2,077	1,465	2,206	2,154
	Index (year 1929 = 100)				
Related-industry group	100.0	72.6	53.0	77.1	83.7
Fur-felt	100.0	73.5	53.0	73.1	78.7
Wool-felt	100.0	60.0	54.6	125.1	160.4
Straw hats, men's	100.0	75.5	55.7	71.7	73.0
Hat and cap materials, men's	100.0	72.2	50.9	76.7	74.8

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

branch (whose material expenses in 1937 accounted for over 57 percent of the total for the entire industry-group) the decrease was 37 percent and the decline in cost of materials purchased by the hat material branch was even sharper, 42 percent. The expenditures for materials in the wool-felt branch, however, were 83 percent higher in 1937 than in 1929.

Table 4. -- Hat Industry: [a] Cost of Materials [b] for Related-Industry Group and for Individual Branches, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	In thousands of dollars				
Related-industry group	85,986	45,599	32,392	48,613	60,509
Fur-felt	55,298	29,509	19,138	27,544	34,732
Wool-felt	4,678	2,283	1,838	5,367	8,547
Straw hats, men's	8,705	7,253	5,217	6,867	7,138
Hat and cap materials, men's	17,305	6,554	6,199	8,835	10,091
	Index (year 1929 = 100)				
Related-industry group	100.0	53.0	37.7	56.5	70.4
Fur-felt	100.0	53.4	34.6	49.8	62.8
Wool-felt	100.0	48.8	39.3	114.7	182.7
Straw hats, men's	100.0	83.3	59.9	78.9	82.0
Hat and cap materials, men's	100.0	37.9	35.8	51.1	58.3

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ Includes cost of materials, supplies, containers, fuel, and purchased electric energy. These statistics are subject to duplication.

(5) Value of product [1]

The product of the fur-felt branch in 1937 represented about 60 percent of the industry's total value of product of $111,085,000, as

1/ The Bureau of Census has issued a clear warning about the duplication of total cost of materials, and value of products, which obtains with respect to data for each branch of the hat industry except "Hat and Cap Materials, Men's". Moreover, some further duplication is involved in the figures for the related industry group because the cost of materials, and value of products of the hat and cap materials branch have been added to similar items for the other branches of the industry. The exact amount of duplication cannot be determined. The total value of products for the hat industry in 1937 was equal to only 0.2 percent of the total value of all industrial output in the United States in that year; the average number of wage earners in the hat industry was equal to 0.3 percent of average total industrial employment.

compared with 14 percent each for the wool-felt and hat materials branches, and 12 percent for men's straw hats (see Table 5). The industry as a whole was about 28 percent short of its 1929 value of production, although the wool-felt branch was about 71 percent ahead of its 1929 figure, owing to increased sales of wool-felt hat bodies to millinery establishments. In the straw hat branch the effects of the depression on price levels were accompanied by a reduction in volume occasioned by the fad of going hatless; to some extent this was probably also true of the fur-felt branch.

Table 5. -- Hat Industry: [a] Value of Products [b] of Related-Industry Group and Individual Branches of Industry, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	In thousands of dollars				
Related-industry group . .	154,830	89,950	64,633	93,065	111,085
Fur-felt	102,004	59,616	40,600	55,907	66,774
Wool-felt.	9,056	5,432	4,369	11,185	15,473
Straw hats, men's. . . .	18,739	13,892	9,948	12,369	13,622
Hat and cap materials, men's .	25,031	11,010	9,716	13,604	15,216
	Index (year 1929 = 100)				
Related-industry group . .	100.0	58.1	41.7	60.1	71.7
Fur-felt	100.0	58.4	39.8	54.8	65.5
Wool-felt.	100.0	60.0	48.2	123.5	170.9
Straw hats, men's. . . .	100.0	74.1	53.1	66.0	72.7
Hat and cap materials, men's .	100.0	44.0	38.8	54.3	60.8

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ As the products of the "Hat and Cap Materials, Men's" industry are used to some extent as materials in the other industries in this group, the cost of materials and value of products for the related-industry group include some duplication, the exact amount of which cannot be determined. There is also duplication in the data shown for the fur-felt and wool-felt branches.

Table 6, on the following page, shows products of the hat industry, by kind, quantity and value, as reported by the census for 1935 and 1937 (excluding data reported for men's hat and cap materials). 1/

Percentages based on data in Table 6 are presented in Tables C and D, Appendix A. Table C shows that of the totals for 1937 in Table 6 (namely, 9,134,000 dozen and $92,343,000), fur-felt hats and hat bodies represented 43 percent of the quantity and 71 percent of the value of the industry's output; wool-felt hat bodies and hats were equal to 31 percent and 15 percent respectively; and straw hats, 23 and 13 percent. Table D indicates that 68 percent of the value of the fur-felt hat and hat body output were finished new hats; 32 percent were new hat bodies and hats in the rough made for sale as such; and 0.4 percent were reclaimed hats. 2/ About 99 percent of the finished new hats were soft felt, and about 1 percent were derbies. With respect to wool-felt, 13 percent of the quantity and 28 percent of the value were represented by finished hat production; 87 percent of the quantity and 72 percent of the value were wool-felt hat bodies. Three-fourths of the finished hats were for men and boys, and almost nine-tenths of the hat bodies were for women and children. In the case of straw hats other than harvest hats, 95 percent of the quantity and 94 percent of the value were for men; 5 percent of the

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1/ Census figures cover women's hats produced by the hat industry.
2/ Sometimes referred to as "made-over used hats" or "ashcan hats".

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1/ Census figures cover women's hats produced by the hat industry.
2/ Sometimes referred to as "made-over used hats" or "ashcan hats".

Table 6. - Hat Industry[a]: Products by Kind, Quantity, and Value: 1935 and 1937

	Quantity		Value	
	1935	1937	1935	1937
	Dozen	Dozen		
Fur-felt hats and hat bodies:				
New hats finished, total	1,645,097	1,715,429	$37,942,059	$44,214,016
Manufactured complete in plant:				
Men's, women's, and boys'	619,705	623,532	18,629,061	22,232,902
Men's, stiff	9,430	6,583	343,061	277,542
Finished from bodies purchased elsewhere:				
Men's and boys' soft	1,008,363	1,080,881	18,801,706	21,548,494
Men's stiff	7,599	4,433	168,231	105,078
New hat bodies and hats in the rough, made for sale as such, total	1,932,046	2,199,524	16,466,986	20,833,105
For men's and boys' soft hats	b/1,068,593	b/1,123,582	b/8,810,503	b/10,627,931
For women's & children's hats	863,453	1,075,942	7,656,483	10,205,174
Discarded hats reclaimed	38,563	31,533	314,653	239,928
Wool-felt hat bodies and hats, total	2,125,423	2,799,689	10,160,969	13,396,835
Hat bodies, carded, for sale as such, total	1,803,065	2,427,670	6,796,512	9,668,496
Men's and boys'	161,100	275,414	690,897	1,437,355
Women's and children's	1,641,965	2,152,256	6,105,615	8,231,141
Finished hats, total	322,358	372,019	3,364,457	3,728,339
Men's and boys'	221,689	294,878	2,233,995	2,847,686
Women's and children's	100,669	77,141	1,130,462	880,653
Straw hats, total	1,696,323	2,130,100	10,161,362	12,305,736
Men's finished hats of straw, palm-leaf, etc. total	699,337	875,401	8,014,112	9,547,880
Sewed-braid hats, total	301,875	523,904	3,229,458	5,371,035
Manufactured complete in plant, straw	301,875	c/361,987	3,229,458	c/4,089,223
Finished from purchased shells, total	(d)	161,917	(d)	1,281,812
Straw	(d)	122,797	(d)	938,631
Other	(d)	39,120	(d)	343,181
Woven-body hats (except harvest) total	c/397,462	351,497	c/4,784,654	4,176,845
Straw	(d)	229,325	(d)	3,063,532
Palm-leaf	26,739	14,409	482,142	381,935
Other	222,628	107,763	2,051,226	731,378
Women's finished hats of straw, palm-leaf, etc. total	(d)	44,198	(d)	631,166
Sewed-braid hats	(d)	31,843	(d)	355,209
Woven-body hats (except harvest)	(d)	12,355	(d)	275,957
Harvest hats, total	996,986	1,210,501	2,147,250	2,126,690
Men's	590,358	743,335	1,305,876	1,329,440
Women's	230,605	222,101	489,534	359,041
Children's	176,023	245,065	351,840	438,209
Silk and opera hats	1,625	2,462	156,094	230,044
Other hats, total value	-------	-------	1,171,187	1,122,837
Number and value reported	466,143	254,945	1,171,187	821,521
Value only reported	(d)	-------	(d)	301,316
Total	-------	9,133,682	-------	92,342,501

Source: U. S. Bureau of the Census, Census of Manufacturers.

a/ Does not include cloth hats and millinery or hat and cap materials, men's.
b/ Includes a small number of men's stiff hats.
c/ Includes data for a small number of hats other than straw, to avoid disclosing, exactly or approximately, production of individual establishments.
d/ No comparable figures for 1935.
e/ Includes a small number of women's finished hats.

quantity and 6 percent of the value were for women; harvest hats (three-fifths for men) were equal to 57 percent of the quantity and 17 percent of the value of all straw hats manufactured.

(6) Value added by manufacture

An attempt to measure the output of an industry merely by determining the value of its products may be unsatisfactory for several reasons, foremost of which is the fact that some of the product's value may have been present in the "raw" materials purchased by the industry. The "value of product" figure does not indicate whether the industry manufactures an item completely or merely slightly advances its state of manufacture from near-completion to finished article, because this figure reflects not only the amount of work done by the industry but also the work performed on its "raw" materials prior to their purchase.

Value added by manufacture (value of product minus value of materials), on the other hand, clearly indicates the monetary importance of the operations performed in any industry and, furthermore, eliminates the possibility of inflated statistics resulting from the multiple inclusion of the same items at different stages of production. Table 7 shows that in 1937 the value added by manufacture by the related-industry group was $50,576,000, a figure equal to 46 percent of that given for value of product. The fur-felt, wool-felt, straw, and materials branches accounted, respectively, for 63, 14, 13, and 10 percent of the total.

Table 7. -- Hat Industry: [a] Value Added by Manufacture [b] for the Related-Industry Group and for Individual Branches, 1929 to 1937

Branch	1929	1931	1933	1935	1937
	In thousands of dollars				
Related-industry group . .	68,844	44,351	32,240	44,452	50,576
Fur-felt	46,706	30,107	21,462	28,363	32,042
Wool-felt.	4,377	3,149	2,531	5,818	6,926
Straw hats, men's. . . .	10,034	6,639	4,730	5,502	6,484
Hat and cap materials, men's .	7,726	4,456	3,517	4,769	5,125
	Index (year 1929 = 100)				
Related-industry group . .	100.0	64.4	46.8	64.6	73.5
Fur-felt	100.0	64.5	46.0	60.7	68.6
Wool-felt.	100.0	71.9	57.8	132.9	158.2
Straw hats, men's. . . .	100.0	66.2	47.1	54.8	64.6
Hat and cap materials, men's	100.0	57.7	45.5	61.7	66.3

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ Value of product less cost of materials, supplies, fuel, and purchased electric energy.

b. Scale (size of individual establishments)

(1) Average - country as a whole and by states

Table 8 reveals regional variations in the size of hat establishments. (This table is based on data presented in Table E , Appendix A .) On the basis of 1935 and preliminary 1937 statistics, the average number of employees per establishment was appreciably under 100 for the United States as a whole, and varied considerably among the individual states without apparent regard to the importance

Table 8. -- Hat Industry (Related Group): a/ Average Number of Wage Earners per Establishment, by State, 1935 and 1937

State	1935	1937 b/
United States	76	94
California	28	9 c/
Connecticut	154	162
Illinois	23	41
Massachusetts	d/	81
Missouri	70	68
New Jersey	82	77
New York	27	36
Pennsylvania	268	378 e/
Texas	52	22 f/
Other states	125 g/	199 h/

Source: Based on Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ 1937 state data are preliminary.

c/ Total of 63 employees in 7 plants.

d/ Included with "Other states".

e/ For wool-felt hat bodies only; therefore, not comparable with 1935.

f/ Total of 129 employees in 6 establishments.

g/ Florida, 1 establishment; Georgia, 1; Indiana, 1; Maryland, 4; Massachusetts, 13; Minnesota, 2; Ohio, 3; Tennessee, 1; Virginia, 1; Washington, 1.

h/ Identity of states not available.

of the state in the industry. Thus, establishments in Connecticut, the largest state in terms of employment in the industry, averaged well over the national figure, as did the group of "Other states", which individually were relatively small factors in the industry. New York had the lowest average of all important manufacturing states, and Pennsylvania the highest.

(2) Breakdown by numbers of employees

A distribution of plants by number of employees is given in Table 9 for the four branches of the hat industry in the years 1929 and 1937. Only one establishment is listed under the classification of plants employing more than 2,500 wage earners, and only one in the next smaller classification (1,001 - 2,500). These plants are both in the fur-felt branch. In the men's hat and cap materials branch, no plant appears to employ over 250 wage earners. The moderate or even small size of the characteristic plant in the hat industry is further indicated by the fact that about 60 percent of the establishments in the fur-felt and men's straw hat branches had less than 50 wage earners in 1929, as did about 85 percent of the establishments in men's hat and cap materials. In 1937, the situation was not significantly different in these branches, although the data show a tendency toward higher average number of wage earners per establishment. In the wool-felt branch, the characteristic establishment in 1929 was larger than in the other branches, and the developments since then have further emphasized this difference. The concentration of establishments in 1929 was in the group employing from 101 to 250 wage earners. About 14 percent employed from 6 to 20. In 1937 there were no plants shown by the census figures employing less than 21, and the numerically most important group was that employing 251 to 500 wage earners.

Table 9 — Hat Industry a/: Distribution of Establishments by Size and by Branch, 1929 and 1937

Branch	Size of establishments									
	No wage earners	1 to 5 wage earners	5 to 20 wage earners	21 to 50 wage earners	51 to 100 wage earners	101 to 250 wage earners	251 to 500 wage earners	501 to 1000 wage earners	1001 to 2500 wage earners	2501 wage earners or more
	Number of establishments									
Fur-felt 1929	2	32	31	35	26	23	5	3	1	1
1937	2	17	30	25	33	23	6	2	1	1
Wool-felt 1929	-	-	2	1	3	7	-	1	-	-
1937	-	-	-	1	3	3	5	2	-	-
Men's straw hats 1929	1	4	13	11	13	6	1	1	-	-
1937	1	4	12	12	13	3	1	1	-	-
Men's hat and cap materials 1929	3	49	31	14	9	6	-	-	-	-
1937	-	18	19	17	8	7	-	-	-	-
	Percent b/									
Fur-felt 1929	1.3	20.1	19.5	22.0	16.4	14.5	3.1	1.9	0.6	0.6
1937	1.4	12.1	21.4	17.9	23.7	16.4	4.3	1.4	0.7	0.7
Wool-felt 1929	-	-	14.3	7.1	21.4	50.0	-	7.1	-	-
1937	-	-	-	7.1	21.4	21.4	35.7	14.3	-	-
Men's straw hats 1929	2.0	8.0	26.0	22.0	26.0	12.0	2.0	2.0	-	-
1937	2.1	8.5	26.5	25.5	27.8	6.4	2.1	2.1	-	-
Men's hat and cap materials 1929	2.7	43.7	36.6	12.5	8.0	5.4	-	-	-	-
1937	-	26.1	27.6	24.6	11.6	10.1	-	-	-	-

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies,

b/ Percentages are based on the following totals for 1929: Fur-felt, 159 establishments; wool-felt, 14; straw, 50; materials, 112.
In 1937 the totals were: Fur-felt, 140; wool-felt, 14; straw, 47; materials, 69.

(1894)

Table 10 shows the same material from another angle. The majority of the workers are shown employed in 1937 in plants with more than 250 wage earners in the fur-felt and wool-felt branches, and in plants with more than 100, and more than 50, in the straw and in the materials branches, respectively.

c. Location of firms

Combined data to show distribution of the related group hat industries, by States, were released by the Bureau of the Census for the first time for the year 1935. These data are not yet available for 1937. 1/ Table 11, which follows, shows percentages based on data with respect to the state distribution of the hat industry in the year 1935, by number of establishments, number of wage earners, wages, and value of products.

1/ Census has issued releases for individual states for 1937 which present statistics by individual branches of the hat industry rather than for the related hat industry group. As a result, complete data are not available for a number of states, due to the fact that separate figures for each industry were only shown where it was possible to publish such figures without disclosing, exactly or approximately, any data for individual establishments. Therefore, the only way statistics could be obtained on state distribution for 1937, was to compile data from these census releases and regard them, to a large extent, as incomplete and therefore not comparable with data for the related industry group for 1935. Apropos of these qualifying remarks, attention is directed to the obvious incompleteness of the data presented for Pennsylvania in Table E, Appendix A. The release for the State of Pennsylvania shows data only for "hat bodies, carded wool-felt", and, of course, it is widely known that the Stetson Hat Company of Philadelphia is one of the important producers of fur-felt hats and straw hats. It is obvious, therefore, that a relatively accurate picture of state distribution for this industry is only available for 1935.

Table 10 — Hat Industry [a]: Distribution of Wage Earners by Size of Establishment and by Branch, 1929 and 1937

Branch		Size of establishments: 1 to 5 wage earners	6 to 20 wage earners	21 to 50 wage earners	51 to 100 wage earners	101 to 250 wage earners	251 to 500 wage earners	501 to 1000 wage earners	1001 to 2500 wage earners	2501 wage earners or more
		Number of wage earners in each size class								
Fur-felt	1929	101	365	1,259	1,906	3,517	1,568	7,823[b]	X	X
	1937	59	379	880	2,544	3,604	2,255	X	6,205[b]	X
Wool-felt	1929	-	X	69[a]	191	1,768	-	X	-	-
	1937	-	-	X	286[a]	582	3,170[a]	X	-	-
Men's straw hats	1929	19	156	325	923	1,957[b]	X	X	-	-
	1937	12	143	439	949	X	1,481[b]	X	-	-
Men's hat and cap materials	1929	133	384	439	649	959	-	-	-	-
	1937	43	235	593	576	997	-	-	-	-
		Percentage								
Fur-felt	1929	0.6	2.2	7.6	11.5	21.3	9.5	47.3[b]	X	X
	1937	0.4	2.4	5.5	16.0	22.6	14.2	X	38.9[b]	-
Wool-felt	1929	-	X	3.4	9.4	87.2	-	X	-	-
	1937	-	-	X	7.1	14.4	78.5	X	-	-
Men's straw hats	1929	0.6	4.6	9.6	27.3	57.9[b]	X	X	-	-
	1937	0.4	4.7	14.5	31.4	X	49.0[b]	X	-	-
Men's hat and cap materials	1929	5.2	15.0	17.1	25.3	37.4	-	-	-	-
	1937	1.8	9.6	24.3	23.6	40.7	-	-	-	-

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include hat body manufacturing and finishing of bodies.

b/ In these cases, where the item for a certain size group cannot be given separately without disclosing data for individual establishments, it has been combined with that for another size group. In such cases (X) is shown in the columns from which data has been transferred.

c/ Percentages are based on the following totals for 1929: Fur-felt, 16,539 wage earners; wool-felt, 2,028; men's straw hats, 3,380; and men's hat and cap materials, 2,564.
In 1937, the totals were: Fur-felt, 15,926; wool-felt, 4,038; men's straw hats, 3,024; men's hat and cap materials, 2,444.

Table 11. -- Hat Industry: [a] Ratio of State Totals to United States Total for the Number of Establishments, Number of Wage Earners, Wages, and Value of Products, 1935.

States	Number of establishments	Number of wage earners (average for year)	Wages	Value of Products [b]
United States	100.0%	100.0%	100.0%	100.0%
California	2.3	0.8	0.7	0.8
Connecticut	16.2	32.8	37.3	30.0
Illinois	3.0	0.9	0.7	0.9
Massachusetts	[c]	[c]	[c]	[c]
Missouri	4.0	3.7	3.1	4.4
New Jersey	10.6	11.4	11.1	11.7
New York	48.0	16.8	16.8	23.3
Pennsylvania	4.9	17.4	16.5	15.2
Texas	1.7	1.1	0.5	1.0
Other states	9.3 [d]	15.1	13.3	12.7

Source: Computed from Table E, Appendix A.

[a] Includes fur-felt and wool-felt hats and hat bodies, men's straw hats, and men's hat and cap materials but does not include cloth hats and millinery.

[b] As the products of the "Hat and Cap Materials" industry are used to some extent as materials in the other industries in this group, the cost of materials and value of products for the related-industry group include some duplication, the exact amount of which cannot be determined.

[c] Massachusetts not listed separately in 1935 but included in other states.

[d] Florida, 1 establishment; Georgia, 1; Indiana, 1; Maryland, 4; Massachusetts, 13; Minnesota, 2; Ohio, 3; Tennessee, 1; Virginia, 1; Washington, 1.

The number of establishments of a given industry in a state can not in itself be accepted as a measure of the importance of the industry within that state, or in contrasting that state with others. However, joint consideration of the number of establishments, the number of wage earners, and the value of products for an industry in a state constitute an acceptable measure of the relative importance of individual states in relation to the entire domestic industry. Of the 302 establishments in

the United States in 1935, shown in Table E of Appendix A, 145 (48 percent) were located in New York State; 49 (16 percent) in Connecticut, and 32 (11 percent) in New Jersey. Other states which the census shows manufacturing products of this industry in 1935 were: California, Illinois, Missouri, Pennsylvania, and Texas. In addition, the census presented "other states" statistics for 28 establishments or 9 percent of the total number in the United States.

Although Connecticut ranked second to New York in number of establishments, the former State ranked first in other respects, accounting for 33 percent of the 23,100 wage earners in the entire domestic hat industry, 37 percent of the total wages paid, which totaled $24,200,000, and 30 percent of the value of products, which totaled $93,100,000. New York State with 17 percent of both the number of wage earners and total wages, had 23 percent of the value of products. The data for Pennsylvania showed that the State represented 5 percent of the total number of establishments, 17 percent of the number of wage earners and total wages paid, and 15 percent of the value of products. New Jersey accounted for about 11 percent of the establishments, number of wage earners, wages, and value of products. These four states combined, namely, Connecticut, New York, Pennsylvania, and New Jersey, had approximately 80 percent of the number of establishments, number of wage earners, and the total value of products for the related industry group.

Table F, in Appendix A, shows the percentage distribution for 1937 of the number of establishments, wage earners, and the value

of products, by region. In order to compile these data a minor degree of estimating was necessary because, as previously explained, the census data for 1937 are not available by states for the entire hat industry. The data in Table F indicate that 85 percent of all establishments in the hat industry, 85 percent of the wage earners, and 86 percent of the value of products were accounted for by the Mid-Atlantic and New England States.

Although census data by states are available for the related hat industry only for the year 1935, statistics are available by states for 1929, 1931, and 1937 for the fur-felt branch of the industry, for the men's straw hat branch, and for men's hat and cap materials. These data are presented in Tables G, H, and I, of Appendix A. Separate census data by states are not available for the wool-felt branch of the industry.

In 1937, of the 140 establishments engaged in the domestic production of fur-felt hats and hat bodies, 42 were located in New York State, 30 in Connecticut, 22 in New Jersey; other establishments were shown in California, Massachusetts, Missouri, and Texas (Table G, Appendix A). Pennsylvania, which was not shown separately, accounts for a large part of the 22 other establishments, whose state locations were not revealed. Connecticut accounted for 43 percent of the total value of products, which amounted to $66,800,000; New York, 17 percent, and New Jersey, 10 percent.

The manufacture of wool-felt hat bodies and men's finished hats in the United States is confined to Massachusetts, Pennsylvania, New York, Connecticut, and Georgia. Production in Massachusetts is

concentrated at Amesbury and West Upton; in Pennsylvania, at and around Reading; and in New York, in the vicinity of Beacon.

As shown in Table H, Appendix A, slightly more than 50 percent of the establishments in the straw hat industry were located in New York State in 1937. Other establishments were in Illinois, Massachusetts, Missouri, New Jersey and New York. Several establishments were not identified by states. Data are not revealed separately for Maryland although this state has an important production of straw hats. The location of the straw hat industry has not shifted in recent years and there has been little change in the number or relative size of establishments engaged in production. New York State had the largest value of output in 1937, amounting to 40 percent of the total value of domestic straw hat production ($15,600,000); Missouri accounted for 19 percent. The data for "other states" were equal to 28 percent of the total value of production, and therefore the relative order of importance for other states can not be specifically indicated.

Table I shows that in 1937 New York had 43 of the 93 domestic establishments engaged in the production of men's hat and cap materials, and accounted for 41 percent of the total production, which amounted to $13,700,000. Connecticut accounted for 38 percent, and New Jersey, 20 percent, so that the three states accounted for all but about 1 percent of the entire domestic production. Hatters' fur is processed by hat and hat body manufacturers and also by about 18 independent hatters' fur manufacturers located principally in Danbury, Connecticut and Newark, New Jersey.

d. Raw materials [1]

The three major raw materials consumed by the hat industry in the United States are fur, wool, and "straw". [2] Fur-felt products are more than twice as important in value as the other two combined. In 1937, the production of fur-felt hats and hat bodies amounted to about $54,419,000 [3] as compared with $11,079,000 [4] for wool-felt hats and hat bodies, and $11,675,000 [5] for men's straw hats.

(1) Fur-felt

In 1937, the hat industry produced about 1,715,000 dozens of men's fur-felt finished hats, and about 2,200,000 dozens [6] of fur-felt hat bodies. The quantity of fur-felt hats produced in 1937 was about 3 percent less than in 1929, 26 percent higher than in 1931, and 4 percent higher than in 1935.

The most important furs used in the manufacture of hats are rabbit, coney, hare, muskrat, beaver and nutria. These are practically

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1/ Production figures are from the Census of Manufactures; import and export figures from Foreign Commerce and Navigation of the United States. Duplication of raw materials excluded when possible.
2/ Including palm-leaf, grass, paper, etc.
3/ This represents $44,214,000 of men's finished hats and $10,205,000 of hat bodies for women's and children's hats for sale to the millinery industry. The value of hatters' fur and men's hat bodies is presumed to be included in the value of the hat bodies and finished hats, respectively, and is therefore not specifically included.
4/ This represents $2,848,000 of men's finished hats plus $8,231,000 of hat bodies for women's and children's headwear for sale to the millinery industry. The value of men's hat bodies is presumed to be included in the value of the finished hats.
5/ This includes $2,127,000 of harvest hats for men, women, and children.
6/ 1,124,000 dozens of these hats in the rough were made for men's and boys' headwear; 1,076,000 dozens were for women's and children's hats.

all imported duty free in the form of raw, undressed fur skins. While domestic beaver and muskrat are used in the manufacture of a small number of expensive hats, the use of these furs is limited by high price; then, too, muskrat has poor felting qualities when not blended with other fur. For rabbit fur the hat industry is dependent upon foreign sources of supply because domestic interests have not found it feasible to develop suitable strains of rabbits merely for the sale of skins. On the other hand, in countries like Australia, wild rabbits with fur suitable for felting purposes exist in such great numbers that they constitute natural pests.

In 1937, about 115,290,000 coney and rabbit skins (worth about $19,700,000 1/) were imported into the United States. These imports are mainly for the fur-felt industry, about 50 to 60 percent of coney and rabbit imports being used for hatters' fur. Australia, the leading source, supplied about 31 percent of these imports; France, 19 percent; Belgium, 17 percent; and the United Kingdom, 15 percent. Other sources were New Zealand, Japan, Czechoslovakia, and Italy. About 30 percent of the 8,000,000 hare skins (valued at $1,371,000) imported in 1937 were from China. Russia, Turkey, Argentina and Poland were also sources of this fur which is used almost entirely by the hat industry. The relatively few imports of beaver and muskrat skins were mostly from Canada, and nutria skins were principally from Chile and Argentina.

Tables of imports and exports of raw materials and finished hats, as well as rates of duty applying to imports into the United States of hat materials and hats are presented in Appendix B.

1/ The value of all imports in this section is the foreign value.

To an increasing extent, the duty-free classification of raw skins includes those which have been partially prepared (chiefly in France or Belgium) by being cut open, cleaned, and freed from coarse hair.

At the present time practically no hatters' fur is imported. 1/ In the past, imports have consisted almost entirely of the better qualities of white, fawn, or mottled shades, and, in this respect, have been supplemental to, rather than competitive with, the domestic product. It is estimated that usually about 15 percent of the hatters' fur is cut by hat manufacturers, 75 percent is cut by independent cutters for sale as hatters' fur, and 10 percent by independent cutters on a contract basis.

As previously pointed out, the manufacture of a hat may take place in a single integrated establishment, or it may be done by separate companies each specializing in a single step of the production. Thus, in the latter case, the product of one manufacturer represents the "raw" material used by the next. About 53 percent of the finished fur-felt hats in 1929 were made from hat bodies purchased elsewhere. 2/ This percentage increased to 63 percent in 1937 because the trend in buying habits has been toward lower-priced hats, which are generally made from purchased hat bodies. The average value per dozen of such hats was $19.85 as compared with $35.80 for hats manufactured completely in integrated establishments.

1/ In 1937, only 719 pounds of cut fur valued at $866 were imported. This fur was subject to a 27½ percent ad valorem duty as provided by the trade agreement between the United States and the Belgo-Luxemburg Economic Union. This agreement, which came into effect May 1, 1935, reduced the rate from 35 percent ad valorem but has had no appreciable effect on imports.

2/ Practically all of these bodies were purchased from domestic manufacturers. Imports of fur-felt hats for men and boys are practically all finished.

(2) Wool-felt

In 1937, the hat industry produced 372,000 dozens of men's finished wool-felt hats, and 2,428,000 dozens of wool-felt hat bodies for sale as such. 1/ Both in quantity and value, the 1937 production was about 32 percent higher than that of 1935.

Wool noils, which consist of short fibers obtained as a by-product from the combing of wool for worsted yarn, are the basic material entering into the production of wool-felt hats. In general, domestic noils do not possess the fine felting qualities obtainable in imported noils. Consequently, the noils used in the production of first quality hats consist of high-grade imports, whereas the cheapest (third quality) wool-felt hats are made from all-domestic noils. Usually, second quality hats contain a mixture of imported and domestic noils. As received by hat manufacturers (with one exception), noils are already freed from vegetable impurities. The destruction and removal of such foreign substances is accomplished by chemical processes known as carbonizing and depainting, operations which are generally performed by a few specialized commission plants.

Of the wool noils imported in 1937, about 88 percent were not carbonized, and about four-fifths of such imports were from the United Kingdom. The chief source of imported carbonized noils in the same year, however, was Belgium, which supplied about 70 percent. Under the Tariff Act of 1930, a specific duty of 23 cents per pound was fixed for noils, not carbonized, and a 7-cent differential was provided for carbonized noils. By agreement with the United Kingdom, effective January 1, 1939,

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1/ 275,000 dozens of these hats in the rough were for men's and boys' headwear; 2,152,000 were for women's and children's hats.

the rate of duty on both classes of noils was reduced so that at the present time the duty on carbonized noils is 21 cents per pound and for noils, not carbonized, it is 16 cents per pound (leaving a differential of only 5 cents per pound).

Usually, some new wool of longer staple is mixed in with the noils in order to increase strength and stiffness. 1/ Under the Tariff Act of 1930, the duty on the clean content of raw wool was fixed at 34 cents per pound, an increase of 3 cents from the rate established by the Tariff Act of 1922.

Since the total production of men's wool-felt hats cannot be determined from the figures given in the Census of Manufactures 2/, it is impossible to state exactly what proportion of the men's wool-felt hats are finished from purchased bodies. However, a usable though not precise estimate of the actual ratio of wool-felt hats made completely in integrated establishments to those made from purchased bodies by the hat industry 3/ is obtainable for 1935 by using the figures 221,689 dozens 4/ for the former and 99,372 dozens 5/ for the latter. It is safe

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1/ The average mixture contains roughly about 83 percent of noils and 17 percent of wool. From 100 pounds of mixture, an average of about 87 pounds of hat bodies is obtained from the card. Allowing for waste in manufacture, an average of about 80 pounds of hat bodies is finally ready for sale.

2/ The Census of Manufactures classifies men's wool-felt hats made from purchased hat bodies as millinery.

3/ This term is used here in consonance with the definition of the Wage and Hour Division rather than that of the Bureau of the Census.

4/ These are shown by the Census tables as hats finished from wool-felt bodies carded in the same plant.

5/ These were shown by the Census tables as materials consumed by the hat industry. While it is not stated that these bodies were for men's or women's hats, it may be permissible to indulge in the presumption that practically all of such bodies were for men's hats. The Census also shows that 161,100 dozens of men's wool-felt hat bodies were carded for sale during the same year. If it is assumed that the number of such hat bodies which were not actually transformed into finished hats during 1935 was equal to the number of hat bodies produced in previous years but finished during 1935, then this figure (161,100 dozens) instead of the one suggested above, should have been taken as the number of wool-felt hats made from purchased bodies in 1935.

to say, regardless of the uncertainty of the exact ratio, that most men's wool-felt hats are made completely from start to finish in integrated companies.

Although about 1,459,000 dozens of wool-felt hat bodies were imported in 1937 (principally from Japan and Italy), these entered chiefly into the production of millinery. Hat bodies for men are generally obtained from about a dozen mills located in Massachusetts, Connecticut, New York, and Pennsylvania. Under the Tariff Act of 1930, the rate of duty on wool-felt hat bodies was fixed at 40 cents per pound (compensatory for the duty on wool noils) plus 75 percent ad valorem. By Presidential proclamation (which was judicially sustained in February, 1934), this duty was reduced to 40 cents per pound plus 55 percent ad valorem, effective April 15, 1931.

(3) Straw, palm-leaf, grass, etc.

The domestic hat industry's production of straw hats or those made of other fibers amounted to 2,130,000 dozens in 1937. Of these, 1,211,000 dozens were harvest hats. About 60 percent (524,000 dozens) of men's finished hats of the materials herein considered, excluding harvest hats, were made from braids. Of these hats, 362,000 dozens were sewed from straw braids and completely finished within the plant in which they were started. The other 162,000 dozens were made from purchased sewed-braid hat bodies, about 75 percent of which were straw. Of the 352,000 dozens of men's finished hats made from woven-hat bodies, 229,000 dozens (65 percent) were made from straw and a large part of the balance were of paper and palm-leaf.

Practically all braids and rough bodies used in the production of straw hats are imported. None of the comparatively few natural fiber materials that are adaptable to hat manufacture are indigenous to the

United States. This lack of native fibers and, perhaps even more important, the fact that in foreign countries producing braids there is available very cheap and relatively skilled labor, has made domestic manufacturers dependent upon foreign sources for the chief raw materials entering into the production of summer hats. Foreign production of braids and hat bodies (except cheap paper hats) is generally carried on by cottage industries.

Japan was the chief source, in terms of quantity, of straw braids imported into the United States in 1937. 1/ In value 2/, however, China was the chief source, supplying straw braids valued at $322,000 as compared with $137,000 from Italy, and $67,000 from Japan. 3/

Paper hat body imports numbered 579,000 dozens (valued at $1,307,000) in 1937, practically all being supplied by Japan. 4/ Italy was the chief source of straw hat bodies, supplying 189,000 dozens (valued at $756,000) in 1937, with Netherlands Indies, second in importance, supplying 118,000 dozens (valued at $555,000). Practically all Panama hats imported into the United States are from Ecuador and Colombia, which supplied 74,000 dozens and 16,000 dozens, respectively. Ecuador accounted for about 85 percent of the total value of Panama hat imports in 1937, which amounted to $676,000.

1/ It is not possible to ascertain the proportion of the braid imports which enters into the manufacture of men's hats rather than millinery.
2/ The value of imports if the foreign value.
3/ Only about 4.5 percent of the braids imported into the United States in 1937 were already bleached, dyed, colored or stained. The rate of duty on such imports is fixed at 25 percent ad valorem as compared with 15 percent for braids not bleached and not dyed. The import values shown above do not include bleached or dyed braids.
4/ Statistics for imports of hat bodies are not segregated according to men's or women's types.

When imported, most hat bodies have not been bleached or dyed. The rate of duty established by the Tariff Act of 1930 on hat bodies in this condition is 25 percent ad valorem. An additional duty of 2½ cents per article is imposed on hat bodies that have been bleached, dyed, colored or stained. Sewed hats and hat bodies (whether or not blocked, trimmed, bleached or dyed) are dutiable at the rate of $3.00 per dozen and 50 percent ad valorem. 1/ For purposes of tariff classification, Leghorn hats (which are constructed by the lacing or "invisible sewing" of braids of straw) are considered not sewed and are admitted under the tariff classification for rough hat bodies, if not blocked or trimmed. Several trade agreements have resulted in the reduction of tariff rates on certain types of rough bodies. The agreement with Ecuador cut the rate of duty on Panama hats from 25 to 12½ percent ad valorem. By agreement with Switzerland, imports of blocked but not trimmed Yeddo hats (comparatively unimportant in recent years) are subject to a lower duty than formerly. 2/

Harvest hat bodies, which are wide-brimmed "straw" hats used by harvest hands, fishermen, and also used to some extent as beach hats, are imported chiefly from the Netherlands Indies. The Netherlands West Indies, Mexico, and China are other important sources of such imports.

1/ This rate was established by Presidential proclamation, effective March 7, 1931, and represented a reduction from the duty of $4 per dozen and 60 percent ad valorem established by the Tariff Act of 1930.

2/ Under the Tariff Act of 1930, the rate of duty on these hats was $3.50 per dozen, plus 50 percent ad valorem. The modified rate is $3.50 per dozen, but not less than $1.75 per dozen, plus 25 percent ad valorem. Practically all of these hats are blocked abroad because of the lack of domestic facilities. They are made of hand-knotted unsplit straw and are not considered sewed hats.

In 1937, pandan was the basic fiber of 542,000 dozens of harvest hats imported into the United States. About 381,000 dozens were made of cheap grades of straw, and 66,000 dozens were made from such materials as wood pulp, paper pulp and palm-leaf.

Under the Tariff Act of 1930, the rate of duty for harvest hats valued at less than $3 per dozen (which includes practically all of them) was fixed at 25 percent ad valorem. The rate of duty was reduced to 12½ percent ad valorem by agreement with the Netherlands, effective February 1, 1936.

(4) Incidental materials

Such incidental materials as linings, outside bands and sweat bands are usually obtained in the United States. Certain chemicals used in the bleaching process, and some of the higher grade gelatine used in the stiffening of straw hats are generally imported.

c. Technology

(1) Type of machines and equipment

Relatively heavy machinery unadaptable to more than one use is required in the production of both fur-felt and wool-felt hat bodies. In the hat finishing shops, machinery is generally light and adaptable. Usually, machinery is purchased outright, although some is leased.

(2) Buildings owned or rented

Wool-felt hat body companies generally are located in small communities and own their buildings. The larger manufacturers of the other branches also own their plants, while the smaller manufacturers generally rent the space they occupy, particularly in large cities.

f. Labor

(1) Skill

This section, which is concerned primarily with certain designated aspects of labor, will also refer briefly to operations performed in the production of hats. 1/ Inasmuch as these operations are not considered elsewhere in this report, it is pertinent at this point to make the general observation that, although numerous improvements in mechanization have been adopted by the fur-felt branch of the industry, the basic processes have remained practically the same as they were decades ago. Throughout the industry, highly mechanized processes are still complemented by skilled handwork. The importance of this combination is evidenced by the fact that, in general, the quality of a finished hat is directly related to the amount of hand labor expended upon it; that is, the greater the amount of hand labor, the higher the quality. This important limitation upon productive technique makes for a high degree of uniformity in the industry.

Steps in the production of hatters' fur from skins generally include carroting (a chemical treatment to improve felting qualities), separation of the skin from the fur by cutting, and in the case of fur for better quality hats, careful sorting of the cut fur according to color and grade. The subsequent operations of blowing (cleaning by air) and blending are performed either before or after delivery of the cut fur to the "back shop" of the same plant or to non-integrated hat body manufacturers.

1/ A list of operations is presented in Appendix C.

In the "back shop", the cut fur is blown upon a perforated revolving cone, covered with wet burlap, and subjected to moisture, heat, and pressure in such a manner as to cause the fur to interlock firmly. At the same time, the material is manipulated into the approximate shape of a hat. These shapes are then shrunk by machine and stiffened. Dyeing may be done either before or after the making of the hood, depending on the quality of the hat. For better hats, the fur is usually dyed after it is cut and before it is blown. After the peak and crown are stretched the body is finally blocked into the approximate size desired. At this stage, the hat body is broad, flabby, irregular, and rough. It may be finished in the "front shop" of the same manufacturer or it may be sold as a rough body to other hat manufacturers or to the millinery industry. In either case, the next series of operations generally includes pouncing (smoothing felt and reducing nap with sandpaper), ironing, brim curling, flanging, and trimming.

In general, the operations employed in the manufacture of wool-felt hat bodies consist of mixing, picking, carding, tip hardening, side hardening, spacking (for light colors only), first fulling (pushing, bumping, multi-roller felting), first twisting, dyeing, hydro-extracting, second fulling (pushing, bumping, washing), second twisting, blocking, and stiffening. The foregoing are generally known as "back-shop" operations. After the hat bodies leave the "back shop" they are ready for finishing, either in the "front shop" of the same plant or by hat or millinery manufacturing companies which purchase hats in the rough. The finishing operations usually include pouncing (sandpapering), buffing, blocking, and trimming.

The major activities in the domestic production of straw hats are (1) sewing imported braids of straw or other fibers into hat shapes and subsequently finishing them, and (2) blocking and finishing imported semi-manufactured hat bodies. Both productive activities are a combination of hand and machine operations, braid sewing requiring more machine work than is necessary in making hats from bodies.

Available information (based on the consensus of a sample of employers and supervisors, as tabulated by Bureau of Labor Statistics) on the skill composition of the labor force in the various branches of the hat industry is given in Table 12. No significant difference in the percentage of unskilled workers in each branch is indicated by these data. While females employed on back-shop operations in the fur-felt branch are shown as unskilled to a surprising extent, it must be remembered that less than 5 percent of the female workers in this branch are employed in such occupations and that in the front shops where over 95 percent of the females work, the average proportion of unskilled females is less than 8 percent.

Table 12- Hat Industry a/: Percentage of Employees in Skilled, Semiskilled and Unskilled Occupations by Sex, Branch of Industry, and Type of Plant, 1939.

Sex, Skill, and Branch of Industry	Composite back and front shops		Back shops			Front shops		
	All plants	Integrated plants	All plants	Integrated plants	Independent plants	All plants	Integrated plants	Independent plants
Males								
Skilled								
Fur-felt	53.2	56.8	64.1	64.4	63.8	52.1	46.8	57.0
Wool-felt	25.5	24.0	22.0	18.3	29.3	40.1	43.2	25.0
Dress straws	57.2	-----	-----	-----	-----	-----	-----	-----
Harvest hats	9.8	-----	-----	-----	-----	-----	-----	-----
Semiskilled								
Fur-felt	27.2	27.8	17.1	19.2	14.7	37.2	39.3	35.2
Wool-felt	64.0	65.7	67.4	71.1	60.1	49.9	47.3	62.5
Dress straws	32.1	-----	-----	-----	-----	-----	-----	-----
Harvest hats	79.0	-----	-----	-----	-----	-----	-----	-----
Unskilled								
Fur-felt	14.6	15.3	17.8	16.4	21.5	10.7	13.9	7.8
Wool-felt	10.5	10.4	10.6	10.6	10.6	10.0	9.5	12.5
Dress straws	10.7	-----	-----	-----	-----	-----	-----	-----
Harvest hats	11.2	-----	-----	-----	-----	-----	-----	-----
Females								
Skilled								
Fur-felt	10.8	11.0	-----	-----	-----	11.3	11.6	11.1
Wool-felt	-----	-----	-----	-----	-----	-----	-----	-----
Dress straws	8.1	-----	-----	-----	-----	-----	-----	-----
Harvest hats	-----	-----	-----	-----	-----	-----	-----	-----
Semiskilled								
Fur-felt	77.8	73.5	18.2	5.6	29.3	80.8	77.2	83.7
Wool-felt	91.6	93.2	98.0	97.8	98.2	91.6	90.3	98.2
Dress straws	87.4	-----	-----	-----	-----	-----	-----	-----
Harvest hats	91.9	-----	-----	-----	-----	-----	-----	-----
Unskilled								
Fur-felt	11.4	15.4	81.8	94.4	70.7	7.9	11.2	5.3
Wool-felt	8.4	6.8	2.0	2.2	1.8	8.4	9.7	1.8
Dress straws	4.5	-----	-----	-----	-----	-----	-----	-----
Harvest hats	8.1	-----	-----	-----	-----	-----	-----	-----

Source: Based on data from Bureau of Labor Statistics.

a/ Does not include cloth hats and millinery.

(2) Sex

As shown in Table 13, males predominate in all but the straw hat branch of the industry. Back shops of the fur-felt and wool-felt branches have higher proportions of males than do the corresponding front shops. No marked difference between integrated and independent shops appears except with respect to wool-felt back shops

Table 13. -- Hat Industry: a/ Percentage of Male Employees by Branch of Industry, Type of Shop, and Departments, 1939

Type of Plant	Fur-felt	Wool-felt	Dress Straws	Harvest Hats
All plants				
Back and front shops	77.7	74.0	46.0	59.2
Back shops	97.4	79.6	-	-
Front shops	64.3	56.9	-	-
Integrated plants				
Back and front shops	81.4	78.0	-	-
Back shops	98.0	87.7	-	-
Front shops	66.4	56.3	-	-
Independent back shops	96.3	67.5	-	-
Independent front shops	62.4	58.4	-	-

Source: Based on data from Bureau of Labor Statistics.
a/ Does not include cloth hats and millinery.

(3) Yearly employment trends

Data presented in the section relating to the size of the industry indicate employment trends for Census years 1929-1937. These data make it appear that 1933 was the year of lowest employment and that during the period of the N.R.A. there was a sharp recovery in the number of wage earners.

(4) Productivity

Despite the lack of statistical information, it is agreed by hat manufacturers, both from the standpoint of personal efficiency and improved technology, that there has been an increase in the output per man-hour throughout the industry during the last 10 years.

(5) Monthly employment fluctuations

(a) High-low months

Monthly employment fluctuations in the hat industry are somewhat obscured when the industry is considered as a whole, because the different branches have different periods of peak and slack operation. Table 14, on the following page, shows the ratio of number of wage earners in each month to yearly averages for the hat industry and its branches in 1929, 1935, and 1937, together with the ratio of the low month to the high month in each of these respective years.

With respect to the largest branch of the hat industry, namely, the fur-felt branch, the ratio of the low month to the high month, based on census statistics, was 96 in 1929, 88 in 1935, and 84 in 1937. The months of highest and lowest activity differed from year to year. Employment changes in the production of hat bodies usually precede those of finished hats by about a month. Indexes with respect to payrolls in this industry show that peak and low months sometimes differ from the peak and low months of employment. 1/ The wool-felt branch of the industry shows greater fluctuation than the fur-felt branch, with ratios of low month to high month of 67 in 1929, 56 in 1935, and 59 in 1937. Employment in the straw hat industry, which undergoes greater fluctuation than that of any other branch of the related hat industry, had a ratio of low month to high month of 37 percent in 1929, 30 percent in 1935, and 36 percent in 1937. The data with respect to the men's hat and cap materials branch of the industry indicate ratios of low month to high month as follows: 78 percent in 1929,

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1/ See Table B, Appendix A.

Table 14. — Hat Industry [a]: Ratio of Monthly Number of Wage Earners to Yearly Average for the Related Industry Group and for the Individual Industries in the Group, 1929, 1935, and 1937

Month	Related Industry Group			Fur-Felt			Wool-Felt			Straw Hats, Men's			Hat and Cap Materials, Men's		
	1929	1935	1937	1929	1935	1937	1929	1935	1937	1929	1935	1937	1929	1935	1937
Average for year [b]	24,511	23,083	25,432	16,539	14,718	15,926	2,028	3,006	4,038	3,380	2,873	3,024	2,564	2,486	2,444
January	101.9	95.5	101.8	100.1	94.1	98.6	90.2	76.5	96.8	116.9	124.6	122.8	102.9	93.7	105.0
February	103.7	98.7	105.7	101.5	96.0	101.6	87.9	82.5	103.6	120.7	131.3	128.3	107.6	96.6	108.6
March	104.3	102.8	107.9	99.9	97.7	102.9	101.4	93.4	108.7	121.3	142.4	133.9	112.8	98.4	107.6
April	103.0	103.6	108.1	98.1	96.0	102.0	108.6	108.3	115.2	122.6	145.2	131.4	104.4	95.4	107.9
May	101.9	100.7	103.3	97.4	95.2	98.1	112.6	103.0	109.0	117.2	131.4	119.7	103.0	95.2	106.9
June	100.0	99.2	102.0	99.2	97.4	100.7	116.8	110.4	111.3	94.4	99.2	94.4	99.1	96.1	103.2
July	95.6	97.3	96.9	101.2	102.6	101.3	100.1	107.0	106.6	63.3	61.2	57.0	98.2	96.1	101.8
August	94.3	100.2	97.3	101.6	106.5	102.6	111.0	122.3	112.6	45.7	43.0	48.6	97.7	102.1	97.8
September	97.3	103.3	96.6	101.3	105.8	101.0	110.6	137.6	105.4	69.5	51.7	62.5	97.6	106.0	95.7
October	99.3	99.0	95.0	100.7	103.1	97.4	98.6	96.3	86.8	94.8	75.6	92.0	97.0	104.8	96.1
November	99.5	98.4	90.5	99.9	102.5	94.7	84.7	79.1	68.4	112.6	89.5	101.8	91.6	107.6	85.7
December	99.2	101.3	94.9	99.1	103.1	99.3	77.8	83.3	75.4	121.0	89.5	106.5	87.8	108.0	83.7
Ratio of Low Month to High Month	90.4	92.2	83.7	95.8	88.3	92.0	66.6	55.6	59.4	37.2	29.6	36.3	77.8	86.7	77.1

Source: Computed from Table J, Appendix A.

a/ Does not include cloth hats and millinery. Fur-felt and wool-felt branches include hats and hat bodies.

b/ The 1935 averages in the above table are derived from the figures for the 12 months in the calendar year and differ somewhat from averages shown elsewhere, which are derived in part from figures for months in fiscal years differing from calendar years.

(1854)

87 percent in 1935, and 77 percent in 1937. 1/ Perhaps more significant than these high-low ratios is the fact that even in the men's straw hat industry fairly good employment is indicated for 8 or 9 months a year. In 1937, for example, July, August, and September were the only months in which the number of employees was appreciably below average in that branch of the industry.

(b) Average hours per week

Statistics are presented in Table 15 for the fur-felt branch with respect to average hours worked per week. The months of July,

Table 15. -- Fur-Felt Hats: Average Hours Worked per Week, by Months, 1935-1939

Month	Average Hours Worked per Week				
	1935	1936	1937	1938	1939
January	27.5	34.4	36.9	31.4	34.5
February	32.6	38.6	39.7	33.6	35.5
March	31.9	35.8	37.4	29.3	30.6
April	27.3	28.0	27.8	23.3	25.0
May	28.3	31.0	31.6	27.9	30.9
June	31.6	34.8	33.7	29.6	33.4
July	36.1	35.9	37.3	34.3	--
August	38.5	40.2	36.0	35.3	--
September	36.1	34.7	30.2	36.4	--
October	27.5	27.8	26.2	31.2	--
November	28.3	32.3	28.1	31.5	--
December	35.5	38.2	30.8	39.0	--

Source: Division of Employment Statistics of the Bureau of Labor Statistics.

1/ The seasonal trend of production of hatters' fur is obscured by the speculative aspects regarding the availability of skins and the price of hatters' fur.

August, and September represent the period of longest hours, while some part-time employment is indicated for April, May, October, and November. Similar data are not available for other branches of the industry.

g. Financial organization

(1) Types of business structure

There are very few individual ownerships in the hat industry. The corporate form of organization is predominant in every branch. With the exception of a few important companies, felt hat producers are largely closed corporations. Many of these are small independent producers, supplying larger concerns with rough bodies, or are engaged in the manufacture of products under special brands for larger companies.

(2) Credit position of firms

According to information obtained by the Economic Section from hat manufacturers, good credit is characteristic of the industry, although a few small companies in the hatters' fur branch are said to be trading on a shoestring. In the fur-felt branch some large front shop manufacturers are reported to be getting credit on extremely long terms from back shop manufacturers.

2. Distribution economics

a. Channels or outlets

Products of the hat industry pass through various channels of distribution from the manufacturer to the ultimate consumer. With respect to finished hats, these distribution channels include sales by manufacturers through their own wholesale branches and retail stores, to wholesalers and jobbers, and to retailers (including chain stores).

Data with respect to sales outlets, as shown by the 1935 census, are presented in Table K, Appendix A. In addition to manufacturers producing hat bodies used in their own plants for fabrication into

finished hats, a number of manufacturers produce hat bodies which are sold to manufacturers of men's hats, but the bulk are sold to millinery establishments, since most women's felt hats are made from wool-felt hat bodies. Sales listed "to industrial and other large users" in Table K are for raw or semi-raw materials, i.e., hatters' fur, or hat bodies sold to manufacturers of hats or millinery. Sales to wholesalers and jobbers also include raw or semi-raw materials, such as hat bodies. In view of these trade practices and the attendant uncertainty of interpretation of the data, it might be incorrect to make a strict comparison of the percentages of distribution shown in Table K, particularly those relating to the fur-felt and wool-felt branches. In the men's straw hat branch of the industry, the total net manufacturers' sales were made to two types of distributors: 64 percent to retailers (including chain stores), and 36 percent to wholesalers and jobbers. Of the entire sales made by the men's hat and cap materials branch, 91 percent were made directly to manufacturers of all kinds of hats and caps, and the balance were sold through wholesalers and jobbers. Hatters' fur is sold by manufacturers of this product directly to independent back shops and integrated companies.

A large portion of all types of hats is sold by manufacturers directly to department stores, and specialty stores handling men's apparel; the latter type includes a number of chain stores.

b. Prices

(1) Wholesale price brackets in which goods are sold

The demoralization of prices in the fur-felt and men's straw hat branches between 1929 and 1937 is indicated by the data in Table 16, which gives the average value per dozen of various types of hats and hat

Table 16. -- Hat Industry: Average Value per Dozen of Hats and Hat Bodies, by Type, 1929-1937

Type of Hat or Hat Body	1929	1931	1935	1937
Fur-felt				
Men's soft hats made complete in plant	$50.25	$37.66	$30.08	$35.74 a/
Men's and boys' soft hats finished from purchased bodies	30.46	25.32	18.64	19.94
Men's and boys' soft hat bodies	16.25	11.18	8.11	9.46 b/
Women's hat bodies	15.87	10.13	8.87	9.48
Wool-felt				
Women's hat bodies	c/	c/	3.72	3.82
Men's hat bodies	c/	c/	4.29	5.29
Men's finished hats	11.44	11.21	10.08	9.66
Men's straw hats				
Sewed braid hats made complete in plant	18.82	13.52	10.70	11.30
Sewed braid hats finished from purchased shells	17.42	9.71	11.53	7.92 d/
Woven body hats a/	35.89	27.31	12.04	11.88
Harvest hats e/	3.21	2.81	2.15	1.76

Source: Computed from data obtained from Census of Manufactures.

a/ Includes a small number of women's hats.

b/ Includes a small number of men's stiff hat bodies.

c/ Data not available

d/ Bureau of the Census states that the data upon which this figure is based are not comparable with those for previous years.

e/ Includes women's and children's hats.

bodies. Prices of wool-felt hats, on the other hand, were comparatively firm during the same period. Between 1935 and 1937, average prices improved generally in the fur-felt and wool-felt branches and in sewed braid straw hats. Census data for hatters' fur prices which are available for 1935 and 1937 show that average prices in the latter year were $1.87 per pound or 30 cents per pound more than in 1935. According to information received by the Economic Section from the hat industry, present wholesale price brackets are as follows:

	Per dozen
Fur-felt hats	$21-$25, $26-$28, $36, $51-$72
Wool-felt hats	$3.75-$16.50
Sewed-braid straw hats 1/	$7-$8, $9-$10, $12.00-$12.75, $18-$21
Woven body straw hats 1/	$12.00-$12.75, $18-$21, $30.00-$34.50
Harvest hats	90 cents to $6.00

(2) Retail price brackets in which goods are sold 2/

Retail prices for fur-felt hats are relatively stable, with the result that most changes that have taken place within the last 10 years are those affecting quality rather than price. A $5.00 hat, for example, remains $5.00, no matter what fluctuations occur in costs. The quality of the hatters' fur, sweatbands, linings, and workmanship are varied to maintain the price. The biggest volume of sales of fur-felt branches is at $2.95, according to information obtained from the industry. Present prices of straw hats are considerably lower than in 1929. Retail price brackets corresponding to the wholesale brackets just presented are as follows:

1/ Dress straw hats, not further designated, were also reported as low as $4.25 per dozen.

2/ These prices do not relate to clearance sales which are of greater significance with respect to straw hats than to other types.

	Per hat
Fur-felt hats	$2.85 and $2.95, $3.50-$3.85, $5.00, $7.50-$10.00
Wool-felt hats	50 cents to $1.95
Sewed-braid straw hats 1/.	$1.00, $1.50, $1.95, $3.00
Woven body straw hats 1/.	$1.95, $2.95, $5.00
Harvest hats	10-75 cents

c. Influence of style on prices and consumption

In contrast with millinery, the influence of style on prices and consumption of hats is not a very important factor.

d. Merchandising and operating data

Table 17 gives some of the merchandising and operating results of several departments of stores whose annual sales volume exceeded $500,000 in the specified years. The men's hats and caps department is shown as usually operating on a higher markon than that prevailing in each of the other men's and boys' departments and in the total main store. Millinery, however, has a still higher markon. The markon figures for men's hats and caps are relatively stable from year to year. Thus, in 1938 the average markon was 40.4 percent, exactly the same as in 1935. Over the same period, markons in men's furnishings, boys' wear, men's and boys' shoes, millinery, and the total main store, increased by 0.4 to 1.2 percent.

The relatively small markdowns of men's hats and caps operated to make the gross margin advantage of this department over other men's departments and total main store greater than the small difference in markons would indicate. For the same reason, the difference in gross margins between millinery and men's hats and caps is proportionately smaller than the difference in markons. For example, the markon for

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1/ Dress straw hats, not further designated, were also reported as low as 50 cents each.

Table 17- Merchandising and Operating Results of Selected Departments of Department and Specialty Stores with Annual Sales Volume Over $500,000, 1935 to 1938 a/

Merchandising and Operating Factors	Men's hats and caps	Men's clothing	Men's furnishings	Boys' wear	Men's and boys' shoes	Millinery	Total main store
Cumulative markon (percent)							
1935	40.4	39.5	38.4	37.6	38.6	47.2	39.0
1936	40.2	39.2	38.7	38.1	38.5	47.8	39.2
1937	40.5	39.5	38.8	38.1	39.4	48.1	39.8
1938	40.4	39.4	39.0	38.4	39.0	48.4	39.7
Gross margin (percent to sales) b/							
1935	39.7	33.9	36.7	35.2	36.9	43.5	35.8
1936	40.4	34.1	37.6	36.0	37.5	44.9	36.8
1937	40.4	33.3	37.4	35.9	38.0	45.3	36.7
1938	39.6	31.7	37.6	35.6	37.4	45.3	36.5
Number of stock turns							
1935	3.0	2.7	3.8	3.1	2.2	11.4	3.7
1936	3.3	2.7	3.8	3.1	2.3	11.9	3.9
1937	3.0	2.3	3.6	2.9	2.0	11.5	3.6
1938	2.8	2.2	3.6	2.8	1.9	11.3	3.5
Sales (percent to total store)							
1935	0.3	2.9	4.5	1.7	0.7	2.1	84.2
1936	0.3	2.9	4.3	1.7	0.7	2.2	84.3
1937	0.3	2.8	4.2	1.7	0.7	2.1	84.6
1938	0.3	2.6	4.3	1.6	0.7	2.1	84.1
Returns (percent to gross sales)							
1935	3.5	6.6	5.5	8.2	6.7	8.0	9.7
1936	3.4	6.7	5.3	7.9	6.5	7.3	9.7
1937	3.4	6.8	5.1	7.7	6.4	7.4	9.8
1938	3.4	7.0	5.4	7.9	6.2	7.9	9.9
Total operating expense							
1935	36.0	32.6	31.5	35.4	34.8	41.0	34.4
1936	35.9	32.4	31.5	34.8	33.5	40.5	34.2
1937	36.2	33.4	36.2	35.7	34.8	41.1	34.8
1938	38.8	35.3	33.9	37.8	37.8	42.1	35.8
Profit (percent to sales)							
1935	3.7	1.3	5.2	-0.2	2.1	2.5	1.4
1936	4.5	1.7	6.1	1.2	4.0	4.4	2.6
1937	4.2	-0.1	4.2	0.2	3.2	4.2	1.9
1938	0.8	-3.6	3.7	-2.2	-2.2	3.2	0.7

Source: Controllers' Congress, National Retail Dry Goods Association, Departmental Merchandising and Operating Results of Department and Specialty Stores (issued annually).

a/ These figures represent typical performances of member stores of the association. Comparisons are between "main store" departments only, i.e., basements are excluded.

b/ Gross margins may occasionally exceed cumulative markons since the gormer are based on net cost (gross cost minus cash discount).

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millinery in 1938 exceeded that for men's hats and caps by 8.0 percent, and in gross margin by only 5.7 percent.

It may be of interest to note that in 1936 with a markon of 40.2 percent, gross margin for men's hats and caps was 40.4 percent, while in 1938, when the markon was higher (40.4 percent), the gross margin was less, (39.6 percent). 1/

In retail turnover, the men's hats and caps department is comparable with the other men's and boys' departments, which as a group are somewhat less active than the total main store, and have experienced a net decline since 1935. Millinery affords a striking contrast in stock movement, averaging a little over three times as many stock turns as the total main store.

The ratio of each department's sales to total store sales is a rough and unreliable measure of the relative importance of the departments. According to this test the men's hats and caps department is of little importance, accounting for only 0.3 percent of total store sales in each of the years shown, as compared with 0.7 percent to 4.5 percent for other men's and boys' departments. A department having a large volume of sales may, however, be of negative value to the store if those sales are made at a loss. For example, in 1937 one of the largest departments (furniture, beds, mattresses, and springs) had an average loss of 1.2 percent as a result of a very high percentage of returns and high operating costs. While men's hats and caps departments are somewhat over the average in total operating expense, this

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1/ That gross margins sometimes exceed the markon results from the fact that gross margins are based on net cost, whereas markons are based on gross cost (cash discounts are subtracted from gross cost to compute net cost).

is apparently more than compensated for by the marked advantage these departments enjoy with respect to returns. Consequently, even in 1938, which was a bad hat year with respect to operating results, profit on men's hats and caps exceeded that of the average for the total main store. Men's furnishings was the only other men's and boys' department showing a net profit for the year. In each of the three preceding years, 1935-1937, the profit on men's hats and caps was quite satisfactory as compared with men's departments as a class and also with millinery and total main store.

Table 18 gives a more detailed picture of the merchandising and operating results of men's hats and caps departments for the years 1937 and 1938. Data in this table are shown separately for specialty stores and for department stores grouped according to annual sales volume. On the basis of these data, it can be said that markons tend to increase slightly with increasing volume of sales and that gross margin, number of stock turns, returns, and total operating expense follow the same trend. The only classification in which a loss was experienced was that of specialty stores with annual sales volume over $500,000, which in 1938 showed an average loss of 1.3 percent. In every other case for which profit figures are available, men's hats and caps departments showed a profit equal to or greater than that of the corresponding total main store classification.

Table 18 — Men's Hats and Caps: Merchandising and Operating Results by Annual Sales Volume of Department and Specialty Stores, 1937 and 1938 a/

Merchandising and Operating Factors	Genl Average of dept. and spec. stores with annual sales over $500,000		Specialty stores with annual sales volume over $500,000		Department Stores with annual sales volume of $500,000 to $1,000,000		$1,000,000 to $2,000,000		$2,000,000 to $5,000,000		$5,000,000 to $10,000,000		Over $10,000,000	
	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937	1938
Cumulative markon (percent)														
Men's Hats and Caps Dept.	40.5	40.4	41.2	41.6	39.6	38.0	39.9	39.5	40.4	40.3	41.1	40.8	41.0	40.9
Total Main Store	39.8	39.7	39.2	39.8	38.6	39.4	39.5	39.2	39.6	39.7	40.3	39.8	40.4	40.2
Gross margin (percent to sales) b/														
Men's Hats and Caps Dept.	40.4	39.6	42.4	42.5	39.6	35.9	38.3	36.6	39.2	38.3	40.3	39.8	41.9	41.7
Total Main Store	36.7	36.5	38.5	38.2	35.8	35.7	36.3	36.1	36.5	36.3	37.3	36.6	37.1	37.1
Number of stock turns														
Men's Hats and Caps Dept.	3.0	2.8	3.4	3.0	2.8	2.6	2.4	2.2	2.8	2.4	3.4	3.2	3.4	3.4
Total Main Store	3.6	3.5	5.0	5.0	3.5	3.4	3.3	3.3	3.6	3.5	3.5	3.6	3.8	3.6
Sales of men's hats and caps (percent to total main store)	0.4	0.4	c/	c/	0.8	0.7	0.5	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Returns (percent to gross sales)														
Men's Hats and Caps Dept.	3.4	3.4	3.9	3.6	1.6	1.6	2.6	3.3	3.3	3.0	4.3	3.7	3.4	3.9
Total Main Store	9.8	9.9	13.9	13.3	6.7	6.5	7.1	7.4	9.1	9.2	11.0	11.0	12.2	11.9
Total operating expense (percent to sales)														
Men's Hats and Caps Dept.	36.2	38.8	38.3	43.8	c/	c/	34.2	35.9	36.0	36.6	37.0	39.1	36.4	39.2
Total Main Store	34.8	35.8	36.4	37.7	c/	35.0	33.9	35.1	34.4	35.4	35.8	35.9	35.9	37.7
Profit (percent to sales)														
Men's Hats and Caps Dept.	4.2	0.8	4.1	-1.3	c/	c/	4.1	0.7	3.2	1.7	3.3	0.7	5.5	2.5
Total Main Store	1.9	0.7	2.1	0.5	c/	0.7	2.4	1.0	2.1	0.9	1.5	0.7	1.2	-0.6

Source: Controllers' Congress, National Retail Dry Goods Ass'n, Departmental Merchandising and Operating Results of Department and Specialty Stores, 1937 and 1938.

a/ These figures represent typical performances of member stores of the Association. Comparisons are made with "main store" (which are exclusive of basement departments) because men's hats and caps departments are located therein. No comparable data were available for stores with annual sales under $500,000.

b/ Gross margins may occasionally exceed cumulative markons since the former are based on net cost (gross cost minus cash discount).

c/ No data available.

3. Competitive economics

a. Demand factors

(1) Trends in consumption

While the dollar volume of the hat industry dropped sharply after 1929 as previously shown in Table 5, consumption of hats was not greatly affected. By 1937, the hat industry was producing more hats and hat bodies of practically all types than in 1929 (see Table 19 on the next page). An important exception was that of sewed-braid straw hats whose 1937 production was still 32 percent less in terms of quantity than in 1929.

Style is not a primary factor in men's hats and the industry is not subject to quickly changing demands. One trend affecting consumption is the hatless fad which may now have passed its peak. Close-fitting hats for women which have been in style since about 1925, have resulted in the substitution of felt bodies for fabrics and frames, and have consequently benefited the hat industry.

(2) Elasticity

Since retail prices of hats are not usually affected by variations in cost of production (as already stated in the section on Distribution Economics), elasticity of demand is of little practical significance with regard to the hat industry. Savings to manufacturers have been effected in the past by changes not discernible to the ordinary consumer. But even if prices reflected changes in cost, the products of the hat industry would probably meet the same demand. Considerably higher prices for fur-felt hats however, might conceivably result in increased sales of wool-felt hats.

(3) Substitute products

There are no products which can meet the test of public acceptance

Table 19. - Hat Industry: Dozens of Hats and Hat Bodies Produced, by Type, 1929-1937

Type of Hat or Hat Body	1929	1931	1935	1937
Fur-felt				
Men's soft hats made complete in plant	774,381	493,867	619,705 [a]	623,532 [a]
Men's and boys' soft hats finished from purchased bodies	865,235	745,694	1,008,363	1,080,881
Men's and boys' soft hat bodies	851,694	775,059	1,038,531	1,123,582 [b]
Women's hat bodies	627,609	663,323	863,453	1,075,942
Wool-felt				
Women's hat bodies	[c]	[c]	1,641,965	2,152,256
Men's hat bodies	[c]	[c]	161,100	275,414
Men's finished hats	227,611	114,137	221,689	294,878
Men's straw hats				
Sewed-braid hats made complete in plant	610,637	598,584	301,875	361,987
Sewed-braid hats finished from purchased shells	103,893	55,245	73,050	161,917 [d]
Woven body hats	135,182 [e]	180,560 [e]	397,462 [e]	351,497
Harvest hats [e]	1,397,403	920,692	996,986	1,210,501

Source: Census of Manufactures.

[a] Includes a small number of women's hats.

[b] Includes a small number of men's stiff hat bodies.

[c] Data not available.

[d] Bureau of the Census states that the data upon which this figure is based are not comparable with those for previous years.

[e] Includes women's and children's hats.

as substitutes for men's hats. In the average wardrobe, caps and cloth hats are usually sports accessories supplementing, but not displacing, felt and straw hats. The use of wool-felt and fur-felt hat bodies for millinery is somewhat more uncertain, depending largely on a continuance of the millinery styles of the last 10 or 15 years.

b. Supply factors

(1) Ease of setting up in business

(a) Nature of technology, with regard to machinery and buildings

Back shop machinery is fairly expensive. For example, a "coner", or "former", on which the body is first formed costs, roughly about $2,500. Other items, too, make a substantial initial investment necessary. Fairly substantial capital outlay is also necessary for front shops, and men's straw hat manufacturing, although handwork can be substituted for some of the machinery in small plants. Space requirements are not extensive and can be rented.

In Connecticut, there are about 8 or 10 fur-felt back shop factories, representing a small part of the productive capacity of the industry, which are leased fully equipped. These cases are exceptions to the rule that fairly substantial investments are required.

(b) Credit position

As already stated (under Financial Organization), the credit position of the industry is generally good. There are, however, a number of hat manufacturers, particularly in New York City, who employ 5 to 10 workers and who have no credit standing, so that they cannot purchase raw materials except for cash. An arrangement is sometimes made whereby hat retailers purchase hat bodies, ribbons, linings, and other necessary materials, and ship them to these manufacturers for finishing and trimming.

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(2) Brand advertising

In the distribution of hatters' fur, wool-felt and fur-felt hat bodies, wool-felt hats, and harvest hats, brand advertising for retail sales is negligible. Advertising is very important, however, in fur-felt hats which are largely sold under established brand names. To a much smaller degree, advertising plays a part in the straw hat branch.

(3) Bargaining power of firms, raw materials and outlets

Because of their considerable requirements, large manufacturers have appreciable bargaining power with respect to the purchase of raw material. Buying dominance in finished products is largely confined to purchases by chain stores.

(4) Excess capacity, seasonal and secular

Plants are run at full capacity only during periods of peak production. During other periods, there is unused capacity but there appears to be no long-time overcapacity.

(5) Foreign trade [1]

Foreign trade, insofar as the hat industry is concerned, is primarily a matter of raw material imports. These have already been discussed in a preceding section of this report.

(a) Wool-felt hat bodies [2]

The competitive effect of foreign sources of supply, the chief topic of this section, is sharpest in wool-felt hat bodies which are used primarily by the millinery industry. Since 1929, however, when 81 percent of the wool-felt hat bodies consumed in the United States were supplied from abroad, the domestic industry has greatly improved its competitive position. As a result, domestic mills supplied over 60 percent of such

1/ Import and export tables, as well as a summary of rates of duty on hat imports into the United States, appear in Appendix B.

2/ Reference was also made to wool-felt hat bodies in the section on "Raw Materials".

hat bodies in 1937 and, on the basis of 1938 trade data, are still continuing to gain over foreign competitors. The latter (chiefly Italy and Japan) are favored by lower material costs, the availability of cheap labor, and the fact that fluctuations in their operations are smoothed out to some extent by their widespread export markets. On the other hand, the rate of duty on imports into the United States (40 cents per pound, plus 55 percent ad valorem), higher transportation costs, and the length of time lost in shipping, are factors which may more than offset these advantages. 1/ The average landed cost of wool-felt hat bodies imported into the United States has been estimated to amount to more than double the price paid to foreign producers. 2/

The aggregate number of men's finished hats imported for consumption in the United States is negligible in comparison with the number produced by the domestic industry. In 1938, only 465 dos. of finished wool-felt hats (valued at $2,940) were imported into the United States. 3/ Hats of sewed braids of straw, palm leaf, and other fibers were imported to a more appreciable extent, numbering about 19,200 hats (valued at $19,500) 4/ Imports of blocked or trimmed (but not sewed) hats of the same materials amounted to 7,500 hats (valued at $15,200) 5/ While the number of fur-felt hats for men's and boys' wear imported in 1938 was 108,300 (valued at $227,500) 6/ it must be remembered that this constitutes only an inconsiderable fraction

1/ Another factor which has been gaining weight in recent months has been the partial boycott of Japanese and Italian merchandise.

2/ U.S.Tariff Commission, Report to the President on Wool-felt Hat Bodies, (1934), p. 25.

3/ The number of such hats imported was 12,244 in 1937, 12,918 in 1936, and 23,314 in 1935. These imports include both men's hats and women's millinery.

4/ These imports include men's hats and women's millinery.

5/ Id.

6/ These figures include some hat bodies.

of the total apparent domestic consumption. 1/

Since no production statistics are available for 1938, the following comparisons of foreign trade and domestic production will be made on the basis of data for 1937.

(b) Fur-felt hats

In 1937, American manufacturers produced about 20,580,000 men's finished fur-felt hats and in the same year, only 158,800 2/ such hats were imported. By adding the number of imports to the total domestic production and subtracting from this sum the 140,900 hats which were exported from the United States during that year, the figure of 20,597,900 hats is obtained, representing the total apparent domestic consumption. The number of imports constitutes only about 0.8 percent of this consumption. About 64 percent of the quantity of men's fur-felt hats imported in 1937 were from Italy, 14 percent from Belgium, 9 percent from Czechoslovakia, 6 percent from France, and 5 percent from the United Kingdom. In terms of value, the percentages were about the same. While American hat body mills supplied practically all of the plain finished bodies used by the millinery industry, practically all of the novelty finished bodies (about 5 percent of all millinery is made from such bodies) were imported, mostly from Czechoslovakia.

In 1937, about 48 percent of the quantity (43 percent of value) of domestic exports of men's fur-felt hats were shipped to Mexico. Cuba, Colombia, and Japan were the countries of destination of 8, 6, and 5 percent, respectively.

(c) Wool-felt hats

In 1937, about 4,464,000 men's finished wool-felt hats were

1/ This is true even considering that foreign competition is concentrated chiefly in higher priced hats. These imports compete on the basis of prestige and quality, rather than on a price basis.

2/ Includes a small number of hat bodies. In the discussion all are assumed to be finished hats.

produced by American manufacturers. During that year, 198,700 such hats were exported, and 12,200 were imported. 1/ Imports, therefore, represented only about 0.3 percent of the total apparent domestic consumption. The number of imports in 1937 was 43 percent less than in 1935.

About 39 percent of the 1937 imports were from France, 21 percent from Italy, 10 percent from the United Kingdom, and 9 percent from Austria. Czechoslovakia (which was by far the leading foreign source of supply in 1935), Poland and Danzig, Japan, and Hong Kong, were among the minor sources.

Exports to the Philippine Islands represented 29 percent of the total number of wool-felt hats 2/ shipped from the United States in 1937. The proportions shipped to the Union of South Africa, Canada, and Japan, were 14, 11, and 7 percent, respectively. In terms of value, Canada received 22 percent of the exports and was, in this respect, the leading market.

(d) Straw, palm leaf hats, etc. 3/

About 10,512,000 men's finished hats of these materials were produced in the United States in 1937, and an additional 47,756 hats 4/ were imported. Exports were of considerably greater importance than imports, amounting to 393,500 hats. Only about 0.5 percent of the total apparent domestic consumption, amounting to 10,147,000 of these hats, were supplied by imports.

1/ Export and import figures include both men's and women's finished hats. It is generally agreed that most of them are for men's wear and the entire number is so considered in this discussion.

2/ Included women's hats.

3/ Harvest hats are considered separately elsewhere. The figures presented here are exclusive of such hats.

4/ Included men's and women's hats, mostly men's. All are considered men's hats in the discussion.

Hats sewed from straw braid, constituting the greater part of these imports, were 27,600 in number (valued at $20,800). Of these, about 66 percent were blocked and/or trimmed in addition to being sewed, Switzerland supplying about two-thirds of such hats. Other sources listed in order of importance were the United Kingdom, Austria, France, and Italy. About 56 percent of the sewed, but not blocked or trimmed, straw hats were from Switzerland, with the United Kingdom, France, and Italy supplying practically all of the balance.

The leading foreign source of blocked and/or trimmed but not sewed straw hats 1/ was Italy, followed closely by France. The number of such hats imported from each of these countries was 2,700 and 2,400 respectively. In value, however, France was by far the most important source, shipments from that country being valued at $10,900 2/, as compared with $2,600 from Italy. Other countries supplying the balance of the 9,100 straw hats, blocked and/or trimmed but not sewed, were the United Kingdom, China, and Austria.

In 1937, exports of straw hats and those of other fibers totaled 393,500 in number (valued at $294,900 3/. Of these, 244,300 (valued at $184,000) were sewed hats. About 21 percent of these were shipped to the Union of South Africa, 13 percent to Canada, 12 percent to the British West Indies, 9 percent to Panama, and 8 percent to the Netherlands West Indies. It should be noted, however, that in terms of value, the shipments to Canada constituted 23 percent of the total, as compared with only 20 percent to the Union of South Africa.

1/ Includes Italian Leghorn hats.

2/ The relatively high unit value of French imports indicates that a large proportion of the hats shipped from that country may be expensive millinery creations and illustrates the danger of using these statistics in the consideration of men's hats.

3/ Like other statistics presented under this heading, this does not include harvest hats; nor does it include hat bodies, which are grouped with harvest hats.

Of the woven body hat exports (which amounted to 149,200 hats, valued at $111,000) in 1937, 22percent went to the Netherlands West Indies, 14 percent to Panama, 10 percent to Brazil, 8 percent to the British West Indies, 7 percent each to the Union of South Africa and to the Dominican Republic, and 6 percent to Canada. In terms of value, Canada again was the leading market, 18 percent of the total value being assigned to that country, as compared with 9 percent to Brazil, which is second highest in this respect.

(c) Harvest hats

All of the harvest hats used in this country are imported, practically all in the form of unfinished hats. Imports, therefore, were discussed previously in the raw materials section.

In 1937, 118,500 harvest hats (valued at $58,400) were exported from the United States. 1/ Canada was the leading destination, receiving 39,800 such hats (valued at $22,000). Shipments were also made to Netherlands West Indies (21,300 hats, valued at $14,900) and Uruguay (12,400 hats, valued at only $884).

Puerto Rican straw hat industry

In 1935, the Puerto Rican straw hat industry employed 741 persons (of whom 413 were males), according to the Census of Puerto Rico. 3/ For years other than 1935, no complete statistics are available. Information was obtained for the annual report of the Governor of Puerto Rico for the

1/ Included in this number are all exports of hats of straw, etc., which are bleached, dyed, or colored, but not blocked or trimmed.

2/ Over 10 years of age.

3/ This census was taken by the Puerto Rico Reconstruction Administration. The annual report of the Governor of Puerto Rico for the fiscal year 1935-1936 showed information for only 296 employees (of whom 162 were females) Factors which may bear on this difference in the number of employees are: (1) The Governor's report does not purport to include all employees in the industry but only those who were employed in some 13 plants which were visited for information; (2) the Census figures probably include home-workers and hat repairing establishments. It should be noted that almost half of the number reported by the Census worked in rural territory outside of cities and towns; (3) a very high proportion of males is reported by the Census; (4) the number reported by the Census may include persons working on hats on a part-time basis.

fiscal year 1936-1937 from only 4 plants employing 411 persons (of whom 230 were female). In the fiscal year 1937-1938 the 3 plants visited employed 351 persons (of whom 205 were females). It may very well be that this included the entire industry manufacturing straw hats for shipment to the United States.

Table 20 gives the quantity and value, and Table 21 the competitive importance of shipments of men's straw hats from Puerto Rico to the United States. The indicated peak of Puerto Rican competition with hat manufacturers in the United States occurred in 1935 when the Puerto Rican shipments were equal in terms of quantity to 14.5 percent of domestic production. This percentage fell to 11.9 in 1937 and on the basis of 1938 figures, which showed a decline from the previous year of 48 percent

Table 20. - Braided Straw Hats: Shipments from Puerto Rico to the United States, 1928-1938

Year	Dozens	Value
1922	28,371	$ 79,309
1923	54,008	134,359
1924	29,180	92,163
1925	56,419	162,416
1926	76,410	274,406
1927	46,111	151,887
1928	22,275	70,327
1929	24,870	43,486
1930	16,034	35,561
1931	64,013	280,707
1932	58,693	240,808
1933	58,588	380,674
1934	49,052	313,825
1935	54,502	341,311
1936	52,022	335,553
1937	62,410	366,213
1938	32,640	203,632

Source: Monthly Summary of Foreign Commerce of the United States.

Table 21. - Sewed Braid Hats: Ratio of Shipments from Puerto Rico to Production in the United States, in Selected Years, 1929-1937

Year	Percent of Quantity	Percent of Value
1929	3.5	2.1
1931	9.8	3.3
1935	14.5	8.4
1937	11.9	6.8

Source: Based on Census of Manufactures, and Foreign Commerce and Navigation of the United States.

in the number of hats shipped from Puerto Rico to the United States, the competitive effect of such shipments is still decreasing. Table 22 shows the average value of straw hats produced in Puerto Rico, and in the United States for years in which comparisons could be made. Since no distribution of hats by price is available, it is not possible to state to what extent actual competition exists in the United States with respect to the low-priced straw hats which are shipped to the mainland.

Table 22. - Men's Sewed Braid Hats: A Comparison of the Average Value of Hats Made in the United States with Those Shipped from Puerto Rico to the United States

Year	United States	Puerto Rico
	(per dozen)	
1929	$18.61	$1.75
1931	13.20	4.39
1935	10.86	6.27
1937	10.25	5.87

Source: Based on Census of Manufactures, and Foreign Commerce and Navigation of the United States.

Not all of the hat trade with Puerto Rico involves shipments to the United States. Table 23 shows the quantity and value of shipments from the United States to Puerto Rico during the period 1930-1938.

Table 23. - Hats: Shipments from the United States to Puerto Rico, by Kind, 1930 - 1938.

Year	Straw, palm-leaf, etc.		Fur-felt		Wool-felt		Other hats & caps	
	Dozens	Value	Dozens	Value	Dozens	Value	Dozens	Value
1930	6,390	$111,500	2,350	$16,960	1,060	$20,870	7,020	$47,540
1931	9,440	93,890	1,390	10,780	1,670	17,810	11,240	56,730
1932	4,840	28,300	1,710	15,430	3,320	26,510	10,150	42,900
1933	8,360	32,040	290	4,900	5,720	29,900	10,640	29,650
1934	2,840	15,530	150	2,440	3,650	27,740	8,810	22,520
1935	11,710	44,830	223	4,450	2,690	16,960	9,720	28,850
1936	12,690	57,430	780	16,320	2,430	12,910	15,820	33,440
1937	14,270	65,940	720	12,860	3,060	21,150	12,920	38,690
1938	9,890	44,010	600	13,250	4,450	25,650	6,730	21,800

Source: Foreign Commerce and Navigation of the United States.

c. Interaction

(1) Mortality among firms

The hat industry is generally recognized as having a low rate of plant mortality. Most of the industry's turnover has occurred in the smaller shops, particularly in New York City and New Jersey.

(2) Degree of competition

Despite the stability given to the hat industry by the relative inelasticity of demand for its products and the fact that entry into the business is not very easy, keen competition exists for several reasons. In all branches, the average amount of businessper establishment declined after 1929,[1/] and inter-firm competition increased. In the fur-felt branch, sales of higher priced hats fell off after the introduction of well-known brand hats at popular prices. The fact that several large integrated companies have been

1/ Compare Table 2 and 5.

putting out low-priced unbranded fur-felt hats in order to absorb part of their overhead has had the effect of intensifying the competition with independent front (finishing) shops, in the low-price field. Besides inter-firm competition within branches of the industry, there is also some inter-branch competition. Wool-felt products, for example, compete to some extent with those of the fur-felt branch on a price basis. Likewise, the straw hat branch has, in recent years, faced the new competition of light weight fur-felt hats but, with the introduction of the new popular types of woven body straw hats, some of the summer headwear market has been regained not only from the light weight fur-felt hats but also from the reduced buying resulting from the hatless fad. Foreign competition, which was formerly of considerable importance in the wool-felt and straw hat branches, has declined in recent years.

C. N. R. A. EXPERIENCE WITH WAGE RATE INCREASES IN TERMS OF COSTS, PRICES, EMPLOYMENT 1/

The following observation relates to conditions in the hat industry prior to the N. R. A.: 2/

> The effects of the depression on the industry were accentuate the difficulties from which it had long been suffering. Many factories for years past had been selling at prices below their costs, which were relatively high, owing to the low volume of production. This was particularly true in the straw hat branch, which had been seriously affected by 'hatlessness' and in which there existed considerable excess capacity. In the attempt to increase volume by reducing prices most manufacturers either sustained losses or reduced their labor rates drastically. This resulted in the downward spiral with consequent operating losses, lower and lower employee earnings and a virtual price debacle.

Data presented in Table 1 (Part I), of this report showed that the value of production for the entire industry was in 1933 only about two-fifths of the output in 1929. As the decline in value was considerably greater than the decline in number of units produced, the dollar value decrease reflected a shift to lower quality and lower prices. It is claimed that these "shrinking volumes brough serious losses to most firms in the industry in the years 1931 and 1932." 3/ Additional evidence of the decline in the hat industry over the period 1929-1933 - such as the smaller number of wage earners and total wages - was also presented earlier in this report.

1/ Based on material in N.R.A. files; N.R.A. Code of Fair Competition for the Hat Manufacturing Industry as approved on Feb. 5, 1934, and Amendment to Code of Fair Competition for the Hat Manufacturing Industry as approved on Oct. 27, 1934; a personal interview with an official of the Code Authority of the Hat Manufacturing Industry; and the "Hat Industry" by Frederic Dewhurst, in Industrial Planning Under Codes, by George B. Galloway and Associates (1935).

2/ Dewhurst, op. cit., pp. 331-332.

3/ Ibid., p. 332.

Under the N. R. A. wage rates in the hat industry increased, hours of work were shortened, and employment increased as shown by the following: 1/

> Virtually the entire industry in August, 1933, signed the President's Reemployment Agreement, which established a maximum work-week of 40 hours and minimum wages of 30 cents an hour. Six months later, on February 19, 1934, the code of fair competition for the industry went into effect. The code established a 40-hour maximum work-week and a minimum wage of 35 cents an hour, and also provided a unique basis for the adjustment of the wages of workers earning more than minimum rates. This device, by means of an annex to the code, required that at least 15 per cent of the employees of each firm should receive not less than 80 cents an hour; at least an additional 20 per cent should receive not less than 70 cents an hour; an additional 25 per cent should receive not less than 50 cents an hour in the case of fur-felt workers and 40 cents an hour in the case of straw hat workers; the remainder of 40 per cent were to receive not less than the minimum of 35 cents an hour. No similar provisions were made for employees engaged in the production of wool hats and harvest hats, but the code authority was directed to make recommendations to accomplish these objectives for the former branch of the industry.
>
> The reduction in working hours which, before the NRA, had ranged from 44 to 54 hours a week and as high as 60 hours during peak production periods, resulted in the absorption of practically all of the industry's unemployed. A study made in the spring of 1934 showed that 23,500 workers were employed in all branches of the industry--more than the average number employed in the year 1929, and within 1,000 of the employment in

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1/ Ibid., pp. 333-334. In an effort to provide a method for an equitable adjustment of wages above the minimum an N.R.A. order dated October 19, 1934, "provided that no member of the industry shall pay to such of his or its employees as are engaged in the manufacture of fur-felt hat bodies and fur-felt hats a weighted average wage of less than fifty-two and one-half cents (52½¢) per hour, and that no member of the Industry shall pay to such of his or its employees as are engaged in the manufacture of straw hats and other summer headwear, as defined in Article I, Section 1, paragraph A of said Code, a weighted average wage of less than fifty cents (50¢) per hour; . . ." Report Pursuant to Provisions of Administration's Order of October 19th, 1934, (259-13), p. B.

the corresponding season of that year. This reemployment was brought about in spite of the fact that the rate of production in terms of physical units of output was about 12 per cent less in 1934 than in 1929.

The acceptance of the code provisions establishing higher minimum rates of pay and higher wages throughout the industry has resulted in a substantial increase in the hourly earnings of the workers in the industry. A special study of wages in a representative group of fur-felt factories comprising 72 per cent of the total employment in the industry showed average hourly earnings of 69.4 cents in May, 1934, which is an increase of 25.5 per cent over average earnings of 55.3 cents an hour paid in the same group of plants immediately prior to the acceptance by the industry of the President's Reemployment Agreement.

Wage increases in certain localities outside the main centers of production have been considerably larger than in the industry as a whole. A group of fur-felt manufacturers employing about 1,200 workers and located geographically on the outskirts of the industry reported average earnings of 58.3 cents an hour in May, 1934, an increase of 69.5 per cent over the average hourly earnings of 34.4 cents paid by this same group of plants prior to the NRA. Average hourly earnings of all employees of the industry, including fur-felt, straw, wool-felt and harvest hat manufacturers, were 64 cents an hour in May. Reports received by the Hat Institute showed a further increase to 68.5 cents an hour in August of the same year.

Thus, in spite of the difficult position in which it found itself, the industry was able not only to reemploy its own unemployed workers, but to reestablish their weekly earnings, even with shorter hours of work, on a level nearly as high as that prevailing in 1929.

Indexes of employment and payrolls for the fur-felt branch of the industry presented in Table B, Appendix A indicate appreciable increases during the life of the N. R. A. [1] June 1933 to June 1935, as

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1/ The National Industrial Recovery Act (NRA) became effective June 16, 1933, and became inoperative May 27, 1935, as the result of the Supreme Court decision handed down on that date.

compared with the indexes for corresponding months in 1932.

What was the effect of the N. R. A. on costs and prices of products of the hat industry? Shorter hours of work and higher wages would in themselves indicate the probability of higher costs of production. It is reported, however, that during the N. R. A., wholesale and retail prices for men's fur-felt hats remained at their pre-N. R. A. levels because of the control exercised by the more or less rigid retail price levels which had long existed for fur-felt hats, such as $5.00 and $7.50. Manufacturers, moreover, instead of increasing their prices practiced economy through use of certain operating techniques such as using cheaper fur mixtures, less expensive hat leathers and other hat materials, and such as employing more machine work. Maintenance of pre-N. R. A. wholesale price levels made it possible to continue with customary markons and accepted retail price levels.

According to a prominent manufacturer of straw hats, that branch of the industry under the N. R. A. observed the 35 cent per hour minimum, employment increased, prices were increased about 10 percent for a brief period, and demand continued to decline primarily because of the "hatless fad."

With respect to the wool-felt branch of the industry, attention is directed to the fact that the U. S. Tariff Commission instituted an investigation of wool-felt hat bodies under Section 3 (c) of the National Industrial Recovery Act on January 4, 1934, by direction of the President. The following was presented in the Commission's report to the President: 1/

1/ U. S. Tariff Commission, Report to the President on Wool-felt Hat Bodies (1935, Report No. 93, Second Series), pp. 2, 3, 12.

The domestic manufacturers of wool-felt hat bodies, beginning early in August 1933, operated under the President's Reemployment Agreement, which provides a minimum wage of 35 cents per hour. Since February 19, 1934, they have operated under the code of the hat manufacturing industry. This code, however, provides that for the present the wool-felt branch of the industry is subject to only one minimum wage requirement, namely 35 cents per hour, whereas for other branches there is a requirement that certain percentages of the wage earners shall be paid specified higher rates. The code states that the minimum wage scale of the wool-felt branch 'may be revised upon a determination of a complaint it contemplates filing under section 3 (e) of the National Industrial Recovery Act' (namely the complaint in the present investigation). . . .

The costs of production of wool-felt bodies for women's hats in the United States have been materially higher since the adoption of the President's Reemployment Agreement than during the first 7 months of 1933. This increase was the result partly of higher wages and partly of higher costs of wool and nails. Costs were obtained from five of the principal producing companies. The facts ascertained are summarized in the paragraphs following.

The direct labor costs for the last 5 months of 1933 as compared with the first 7 months were found to have advanced about 23 percent, or about 9 cents per pound of product. Certain other costs also have risen by reason of the operation of codes or the President's Reemployment Agreement in this industry or related industries, so that the total increase in costs (other than costs of wool and nails, the basic materials) was about 12 cents per pound. Including materials, the cost increased about 16 cents per pound.

The Commission has also estimated what would have been the domestic costs of these hat bodies if the wool-felt branch had been operating during the last 5 months of 1933 under the wage provisions of the present code which apply in other branches of the hat industry. On this basis the increase in labor costs as compared with the first 7 months of 1933 would have become about 11 cents per pound (as against the actual increase of 9 cents), and the total increase in costs, including materials, would have been about 18 cents per pound. . .

A separate code of fair competition was approved for the "Hatters' Fur Cutting Industry" on July 3, 1934. 1/ According to the Code, the

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1/ National Recovery Administration, Code of Fair Competition for the Hatters' Fur Cutting Industry, as approved on July 3, 1934.

number of employees engaged in this industry at the end of 1933 represented an increase of approximately 15 percent over the number in early 1933, due largely to the President's Reemployment Agreement. The Code provided that no employee should be paid less than at the rate of 35 cents per hour, 1/ and that no employee should work more than 40 hours per week. 2/

1/ With some exceptions pertaining to office or clerical employees, and to handicapped workers and learners.

2/ Not including outside salesmen, or persons employed exclusively in a managerial or executive capacity who earn regularly $35.00 or more per week, and also excepting watchmen.

APPENDIX A

Table A. -- Hat Industry a/: Total Value of Products, Wages, Cost of Materials, and Value Added By Manufacture, 1929 - 1937

Year	Total Value of Products b/	Wages c/	Cost of Materials b/	Value Added by Manufacture d/
1929	$154,829,692	$31,380,510	$85,985,970	$68,843,728
1931	89,950,013	22,789,320	45,599,263	44,350,750
1933	64,632,633	16,720,087	32,392,224	32,240,409
1935	93,065,191	24,199,766	48,613,445	44,451,746
1937	111,085,053	26,264,817	60,508,574	50,576,479

Source: U. S. Bureau of the Census, Census of Manufactures.

a/ Includes fur-felt, wool-felt, men's straw hats and men's hat and cap materials but does not include cloth hats and millinery.

b/ As the products of the "Hat and Cap Materials" industry are used to some extent as materials in the other industries in this group, the cost of materials and value of products for the related-industry group include some duplication, the exact amount of which cannot be determined. There is also duplication in data for fur-felt and wool-felt.

c/ Percentage of wages in each branch of the industry to value of products (after making allowances for duplication of value of products data for fur-felt and wool-felt):

Year	Fur-Felt	Wool-Felt	Straw Men's	Hat and Cap Materials, Men's
1935	35.8	34.7	21.4	16.2
1937	32.4	33.5	19.8	14.2

d/ Measures the net addition to the value of commodities previously in existence; e.g., raw and semi-manufactured materials and fuel.

Table B. -- Fur-Felt Hat Body and Hat Industry: Indexes of Employment and Payrolls, by Months and Years, 1931-1938. a/(1923-1925 = 100)

Month	1931	1932	1933	1934	1935	1936	1937	1938	Average 1931-38
	- EMPLOYMENT -								
January	94.9	75.5	72.3	80.6	88.5	97.5	98.2	91.3	87.3
February	96.8	73.4	73.9	84.9	91.4	96.5	100.2	92.4	88.7
March	97.6	73.5	71.3	86.2	93.3	96.6	100.9	92.3	89.0
April	95.9	68.3	73.8	85.8	93.0	96.0	97.9	89.1	87.5
May	88.8	62.7	74.7	87.7	89.8	96.5	92.2	74.4	83.3
June	84.9	62.3	76.3	84.5	85.4	96.5	92.2	61.3	80.4
July	91.5	65.7	78.8	84.5	91.4	98.0	92.7	79.8	85.3
August	93.5	75.2	92.4	90.6	99.8	100.3	98.0	88.1	92.2
September	93.6	82.4	95.2	91.3	99.5	97.2	94.5	90.0	93.0
October	85.5	82.2	87.0	87.5	95.9	92.7	91.7	89.1	88.9
November	76.3	77.2	81.4	85.1	95.1	92.1	91.7	82.8	85.2
December	76.1	72.7	80.3	87.3	96.0	95.1	92.2	82.4	85.3
Annual Average	89.6	72.6	79.8	86.4	93.3	96.3	95.2	84.4	87.2
	- PAYROLL -								
January	92.1	60.1	51.2	61.6	70.8	88.9	102.9	77.5	75.6
February	97.2	56.8	48.1	70.7	81.9	92.9	111.7	86.2	80.7
March	88.2	58.4	42.2	70.9	83.3	91.1	106.6	79.9	77.6
April	74.5	40.0	42.7	61.3	74.0	76.5	78.5	63.4	63.9
May	78.0	33.1	45.8	72.1	71.4	83.5	82.5	56.4	65.3
June	76.7	37.3	56.7	69.0	72.2	89.3	86.7	48.5	67.0
July	88.2	44.2	60.1	80.2	85.3	93.9	95.6	74.9	77.8
August	97.6	60.4	76.8	87.1	101.2	106.4	102.9	87.2	89.9
September	100.5	79.0	86.4	75.9	97.2	90.8	81.8	95.0	88.3
October	73.8	70.9	77.8	63.0	78.1	72.5	73.4	78.0	73.4
November	61.9	57.8	65.7	65.8	77.7	81.0	72.2	70.1	69.0
December	60.7	55.5	61.0	73.8	91.0	98.1	76.8	75.3	74.0
Annual Average	82.5	54.5	59.5	71.0	82.0	88.7	89.3	74.4	75.2

Source: Division of Employment Statistics of the Bureau of Labor Statistics..

a/ The employment index for each of the first six months: 83.9, 85.7, 82.8, 80.8, 76.6, 79.8; the corresponding payroll index was 79.7, 82.2, 71.2, 55.7, 64.3, 74.7.

Table C. -- Hat Industry [a] : Percentage Distribution of Products in the United States, by Individual Branch of Industry, 1937

Type of Product	Percent of total Quantity	Percent of total Value
Total hat industry	100.0	100.0
Fur-felt hats and hat bodies	43.2	70.7
New hats finished, total	18.8	47.9
Manufactured complete in plant:	6.9	24.4
Men's, women's and boys'	6.8	24.1
Men's stiff	0.1	0.3
Finished from bodies purchased elsewhere:	11.9	23.4
Men's and boys' soft	11.8	23.3
Men's stiff	0.1	0.1
New hat bodies and hats in the rough made for sale as such, total	24.1	22.6
For men's and boys' soft hats	[b] 12.3	[b] 11.5
For women's and children's hats	11.8	11.1
Discarded hats reclaimed	0.3	0.2
Wool-felt hat bodies and hats, total	30.7	14.5
Hat bodies, carded for sale as such, total	26.6	10.5
Men's and boys'	3.0	1.6
Women's and children's	23.6	8.9
Finished hats, total	4.1	4.0
Men's and boys'	3.2	3.1
Women's and children's	0.9	0.9
Straw hats, total	23.3	13.3
Men's finished hats of straw, palm leaf, etc., total	9.6	10.3
Sewed-braid hats, total	5.7	5.8
Manufactured complete in plant, straw	[c] 3.9	[c] 4.4
Finished from purchased shells, total	1.8	1.4
Straw	1.4	1.0
Other	0.4	0.4
Woven-body hats (except harvest), total	3.9	4.5
Straw	2.5	3.3
Palm-leaf	0.2	0.4
Other	1.2	0.8
Women's finished hats of straw, palm-leaf, etc., total	0.5	0.7
Sewed-braid hats	0.4	0.4
Woven-body hats (except harvest)	0.1	0.3
Harvest hats, total	13.2	2.3
Men's	8.1	1.4
Women's	2.4	0.4
Children's	2.7	0.5
Silk and opera hats	[d]	0.3
Other hats	2.8	1.2

Source: Computed from Table 2.

[a] Does not include cloth hats and millinery or men's hat and cap materials.
[b] Includes a small number of men's stiff hats.
[c] Includes data for a small number of hats other than straw, to avoid disclosing, exactly or approximately, production of individual establishments.
[d] Less than 0.1 of 1 percent.

Table D. -- Hat Industry a/ : Percentage Distribution of Fur-felt, Wool-felt, and Straw Hat Industry, Products by Kind, Quantity, and Value; 1937

Type of product	Quantity			Value		
	Percentage of finished hats and hat bodies	Percentage of hats manufactured complete and hats finished from purchased bodies	Type of hats produced in percent	Percentage of finished hats and hat bodies	Percentage of hats manufactured complete and hats finished from purchased bodies	Type of hats produced in percent
Fur-felt hats and hat bodies	100.0			100.0		
New hats finished, total	43.5	100.0		67.7	100.0	
Manufactured complete in plant		36.7	100.0		51.0	100.0
Men's, women's & boys'			99.0			98.8
Men's stiff			1.0			1.2
Finished from bodies purchased elsewhere		63.3	100.0		49.0	100.0
Men's and boys' soft			99.6			99.5
Men's stiff			0.4			0.5
New hat bodies and hats in the rough, made for sale as such, total	55.7		100.0	31.9		100.0
For men's & boys' soft hats			b/51.1			b/51.0
For women's & children's hats			48.9			49.0
Discarded hats reclaimed	0.8			0.4		
Wool-felt hat bodies & hats, total	100.0			100.0		
Hat bodies, carded for sale as such, total	86.7		100.0	72.2		100.0
Men's & boys'			11.3			14.9
Women's & children's			88.7			85.1
Finished hats, total	13.3		100.0	27.8		100.0
Men's & boys'			79.3			76.4
Women's & children's			20.7			23.6
Straw hats, total	100.0			100.0		
Men's finished hats of straw, palm leaf, etc., total	41.1			77.6		
Sewed braid hats, total		100.0			100.0	
Manufactured complete in plant, straw		c/ 69.1			c/ 76.1	
Finished from purchased shells, total		30.9			23.9	
Woven-body hats (except harvest), total			100.0			100.0
Straw			65.2			73.3
Palm-leaf			4.1			9.1
Other			30.7			17.6
Women's finished hats of straw, palm-leaf, etc., total	2.1		100.0	5.1		100.0
Sewed-braid hats			72.0			56.3
Woven-body hats (except harvest)			28.0			43.7
Harvest hats, total	56.8		100.0	17.3		100.0
Men's			61.4			62.5
Women's			18.3			16.9
Children's			20.3			20.6

Source: Computed from Table 2.

a/ Does not include cloth hats and millinery, or men's hats and cap materials.

b/ Includes a small number of men's stiff hats.

c/ Includes data for a small number of hats other than straw, to avoid disclosing, exactly or approximately, production of individual establishments.

Table E. - Hat Industry (Related)[a]: Summary of Number of Establishments, Wage Earners, Wages, Cost of Materials, Value of Product, and Value Added by Manufacture, by States: 1935 and 1937.

(1937 STATE DATA PRELIMINARY AND NOT COMPARABLE WITH 1935.)

	Number of Establishments		Number of Wage Earners (Average for the Year)		Wages	
	1935	1937	1935	1937	1935	1937
United States	302	270	23,066	25,432	$24,199,766	$26,264,87
California	7	7	194	63	176,543	73,31
Connecticut	49	49	7,557	7,942	9,021,247	9,358,76
Illinois	9	5	211	204	167,103	170,97
Massachusetts	[b]	8	[b]	647	[b]	541,30
Missouri	12	11	844	745	761,605	704,64
New Jersey	32	30	2,618	2,299	2,677,685	2,297,43
New York	145	110	3,875	3,942	4,068,592	3,905,44
Pennsylvania[c]	15	4	4,016	1,510	3,999,549	1,252,67
Texas	5	6	262	129	118,194	98,38
Other States	28[d]	40[e]	3,489	7,951	3,209,248	7,861,94

	Cost of Materials [f]		Value of Products [f]		Value Added by Manufacture	
	1935	1937	1935	1937	1935	1937
United States	$48,613,445	$60,508,574	$93,065,191	$111,085,053	$44,451,746	$50,576,47
California	468,807	192,846	766,954	359,844	298,147	167,59
Connecticut	13,607,075	17,839,793	27,912,977	34,199,170	14,305,902	16,359,37
Illinois	450,939	333,811	801,212	876,603	350,273	542,79
Massachusetts	[b]	1,527,648	[b]	2,607,420	[b]	1,079,77
Missouri	2,388,704	2,432,123	4,138,087	4,187,425	1,749,383	1,755,30
New Jersey	6,184,101	6,695,419	10,904,128	10,753,786	4,720,027	4,058,36
New York	12,948,212	14,031,434	21,645,421	23,019,010	8,697,209	8,987,57
Pennsylvania[c]	6,325,894	3,233,042	14,164,943	5,680,022	7,839,049	2,446,98
Texas	397,683	411,602	890,887	645,185	493,204	233,58
Other States	5,842,030	13,811,456	11,840,582	28,756,588	5,998,552	14,945,13

Source: U. S. Bureau of the Census, Census of Manufactures.

a/ Includes fur-felt, wool-felt, men's straw hats, and men's hat and cap materials, but does not include cloth hats and millinery.

b/ Massachusetts not listed separately in 1935 but included in other states.

c/ Data for 1937 only for wool-felt hat bodies; therefore, 1935 and 1937 not comparable.

d/ Florida, 1 establishment; Georgia, 1; Indiana, 1; Maryland, 4; Massachusetts, 13; Minnesota, 2; Ohio, 3: Tennessee, 1; Virginia, 1; Washington, 1.

e/ No data available on the states and the number of establishments per state included in this item.

f/ As the products of the "Hat and Cap Materials" industry are used to some extent as materials in the other industries in this group, the cost of materials and value of products for the related-industry group include some duplication, the exact amount of which cannot be determined.

Table F. - Hat Industry [a]: Percentage Distribution, by Geographis Divisions, Establishments, Wage Earners, and Value of Product

Division	Establishments [b]	Wage Earners [b]	Value Product [b]
		PERCENT	
New England	21	40	36
Middle Atlantic	64	45	50
East North Central	4	3	3
West North Central	5	5	5
South Atlantic	2	4	3
Other [c]	4	3	3
Total -	100	100	100

Source: Census of Manufactures, 1937.

a/ Men's hats, all hat bodies and hatters' furs, excluding cloth hats and caps and millinery.

b/ Required a minor degree of estimating because Census data did not identify all states.

c/ East South Central, West South Central, Mountain and Pacific.

Table G. -- Fur-Felt Hat Industry: Number of Establishments, Value of Product, Wages and Number of Wage Earners, By States, 1929, 1931 and 1937

States	Number of Establishments	Value of Product		Wages	Number of Wage Earners (Average for the Year)
		Amount	Percent of Total Value		
			1929		
United States	159	$102,004,165	100.0	$22,502,542	16,539
California	6	650,335	0.6	100,458	72
Connecticut	36	39,944,172	39.2	8,467,429	6,078
Massachusetts	4	1,245,792	1.2	227,548	241
Missouri	4	2,254,449	2.2	270,366	283
New Jersey	20	10,245,352	10.1	2,371,075	1,666
New York	44	21,840,526	21.4	4,016,339	2,573
Ohio	5	535,838	0.5	105,163	66
Other States a/	40	25,287,701	24.8	6,944,164	5,560
			1931		
United States	138	$59,615,949	100.0	$16,538,201	14,084
California	5	334,372	0.6	64,306	43
Connecticut	36	25,768,649	43.2	7,520,836	5,649
Missouri	4	1,072,558	1.8	211,409	205
New Jersey	16	6,454,875	10.8	1,864,885	1,437
New York	37	11,867,064	19.9	2,660,009	2,128
Pennsylvania	16	10,404,896	17.5	3,618,463	3,857
Other States b/	24	3,713,535	6.2	598,293	705
			1937		
United States	140	$66,774,546	100.0	$17,704,711	15,926
California	7	359,844	0.5	73,317	63
Connecticut	30	28,458,385	42.6	8,472,018	6,936
Massachusetts	5	2,275,559	3.4	397,936	469
Missouri	6	1,578,539	2.4	280,398	337
New Jersey	22	7,055,238	10.6	1,705,641	1,652
New York	42	11,418,317	17.1	2,319,907	2,184
Texas	6	645,185	1.0	98,380	129
Other States c/	22	14,982,979	22.4	4,357,114	4,156

Source: U. S. Bureau of the Census, Census of Manufactures.

a/ Illinois, 4 establishments; Indiana, 1; Iowa, 1; Kentucky, 1; Louisiana, 1; Maine, 1; Maryland, 2; Minnesota, 2; Nebraska, 1; Oregon, 1; Pennsylvania, 17; Rhode Island, 1; Tennessee, 1; Texas, 3; Virginia, 1; Washington, 1; West Virginia, 1.

b/ Illinois, 3 establishments; Indiana, 1; Iowa, 1; Kentucky, 1; Louisiana, 1; Maryland, 1; Massachusetts, 5; Minnesota, 2; Nebraska, 1; Ohio, 2; Tennessee, 1 Texas, 2; Virginia, 1; Washington, 1; West Virginia, 1.

c/ No data available on the states and the number of establishments per state included in this item.

Table E — Men's Straw Hat Industry: Number of Establishments, Value of Product, Wages and Number of Wage Earners, By States, 1929, 1931, and 1937

States	Number of Establishments	Value of Product		Wages	Number of Wage Earners (Average for the Year)
		Amount	Percent of Total Value		
	1929				
United States	50	$18,738,994	100.0	$3,687,570	3,380
Missouri	7	3,813,426	20.4	583,805	541
New Jersey	4	1,142,044	6.1	240,887	231
New York	24	8,161,453	43.5	1,630,468	1,210
Other States a/	15	5,622,071	30.0	1,232,410	1,398
	1931				
United States	50	$13,892,102	100.0	$2,784,007	2,823
Maryland	3	2,557,369	18.4	650,281	708
Massachusetts	6	1,531,748	11.0	381,367	409
Missouri	7	2,814,344	20.3	425,391	508
New Jersey	6	1,362,254	9.8	320,726	342
New York	22	5,080,657	36.6	912,101	695
Other States b/	6	545,730	3.9	94,141	161
	1937				
United States	47	$13,622,004	100.0	$2,691,994	3,024
Illinois	5	876,603	6.4	170,977	204
Massachusetts	3	331,861	2.4	143,373	178
Missouri	5	2,608,886	19.2	424,244	408
New Jersey	3	598,135	4.4	176,276	181
New York	25	5,425,092	39.8	783,636	852
Other States c/	6	3,781,427	27.8	993,488	1,201

Source: U. S. Bureau of the Census, Census of Manufactures.

a/ Maryland, 3 establishments; Massachusetts, 4; Pennsylvania, 1; Illinois, 2; Minnesota, 1; Ohio, 1; Texas, 3.

b/ California, 1 establishment: Illinois, 2; Ohio, 1; Pennsylvania, 1; Texas, 1.

c/ No data available on the states and the number of establishments per state included in this item.

Table I. -- Men's Hat and Cap Materials Industry: Number of Establishments, Value of Product, Wages and Number of Wage Earners, By States, 1929, 1931 and 1937

States	Number of Establishments	Value of Product		Wages	Number of Wage Earners (Average for the Year)
		Amount	Percent of Total Value		
	1929				
United States	112	$25,030,943	100.0	$2,875,718	2,564
Connecticut	19	9,099,969	36.3	1,071,859	886
Illinois	5	191,976	0.8	62,853	55
New Jersey	8	3,029,730	12.1	295,443	422
New York	74	12,391,071	49.5	1,386,972	1,132
Other States a/	6	318,197	1.3	58,591	69
	1931				
United States	95	$11,010,159	100.0	$2,077,277	1,935
Connecticut	18	3,830,794	34.8	790,989	662
Illinois	5	117,921	1.1	39,169	42
New Jersey	6	1,839,222	16.7	347,996	394
New York	62	5,120,840	46.5	855,377	794
Other States b/	4	101,382	0.9	43,746	43
	1937				
United States	69	$15,215,748	100.0	$2,153,977	2,444
Connecticut	19	5,740,285	37.7	886,744	1,006
New Jersey	5	3,100,413	20.4	415,515	466
New York	43	6,175,601	40.6	801,897	906
Other States c/	2	199,449	1.3	49,821	66

Source: U. S. Bureau of the Census, Census of Manufactures.

a/ Massachusetts, 3 establishments; Pennsylvania, 3.

b/ Massachusetts, 2 establishments; Pennsylvania, 2.

c/ No data available on the states and the number of establishments per state included in this item.

Table J -- Hat Industry [a]: Wage Earners, by Months, for the Related-Industry Group and for the Individual Industries in the Group, 1929, 1935, and 1937

Month	Related Industry Group			Fur-felt			Wool-felt			Straw Hats, Men's			Hat and Cap Materials, Men's		
	1929	1935	1937	1929	1935	1937	1929	1935	1937	1929	1935	1937	1929	1935	1937
Average for year[b]	24,511	23,083	25,432	16,539	14,718	15,926	2,028	3,006	4,038	3,380	2,873	3,024	2,564	2,486	2,444
January	24,974	22,053	25,896	16,555	13,843	15,710	1,830	2,301	3,908	3,951	3,580	3,713	2,638	2,329	2,565
February	25,407	22,789	26,872	16,786	14,136	16,154	1,782	2,479	4,185	4,080	3,772	3,880	2,759	2,402	2,653
March	25,565	23,723	27,451	16,516	14,377	16,384	2,056	2,809	4,389	4,100	4.091	4,048	2,893	2,446	2,630
April	25,254	23,924	27,501	16,229	14,123	16,237	2,203	3,257	4,651	4,145	4,173	3,975	2,677	2,371	2,638
May	24,987	23,249	26,263	16,102	14,010	15,627	2,284	3,097	4,403	3,960	3,776	3,621	2,641	2,366	2,612
June	24,513	22,888	25,933	16,411	14,330	16,034	2,369	3,320	4,493	3,192	2,849	2,885	2,541	2,389	2,521
July	23,426	22,459	24,640	16,739	15,097	16,126	2,030	3,217	4,304	2,138	1,757	1,723	2,519	2,388	2,487
August	23,111	23,126	24,744	16,811	15,678	16,338	2,252	3,676	4,547	1,543	1,235	1,469	2,505	2,537	2,390
September	23,842	23,834	24,575	16,749	15,578	16,089	2,243	4,135	4,255	2,348	1,486	1,891	2,502	2,635	2,340
October	24,344	22,850	24,149	16,654	15,175	15,514	1,999	2,896	3,506	3,203	2,173	2,781	2,488	2,606	2,348
November	24,395	22,713	23,016	16,524	15,088	15,080	1,717	2,379	2,764	3,805	2,570	3,077	2,349	2,676	2,095
December	24,310	23,384	24,130	16,393	15,175	15,819	1,577	2,505	3,045	4,090	3,018	3,220	2,250	2,686	2,046

Source: Census of Manufactures.

a/ Does not include cloth hats and millinery. The fur-felt and wool-felt branches include body manufacturing and finishing of bodies made in the same establishments.

b/ The 1935 averages are derived from figures of the 12 months of the calendar year and differ from averages based on fiscal years. Elsewhere in the 1935 Census reports, the latter averages are given as follows: Related-industry, 23,066 wage earners; fur-felt, 14,660; wool-felt, 3,005; men's straw hats, 2,918; and men's hat and cap materials, 2,483.

(1884)

Table K. Hat Industry a/: Distribution of Manufacturers Sales, Number of Plants, and Distribution Expenses, 1935

(Values Expressed in Thousands)

Channels of Primary Distribution	Fur-Felt Hat Bodies and Hats (b)	Wool-Felt Hat Bodies and Hats (c)	Straw Hats, Men's (d)	Hat and Cap Materials, Men's (e)
Total Net Sales for Industry	(f) $55,458	(g) $11,374	(h) $9,635	(i) $13,229
Total Number of Plants	(j) 144	14	(k) 38	(l) 82
To own wholesale branches	$1,104	—	—	—
Percent of total sales	2.0	—	—	—
Number of plants selling	4	—	—	—
To industrial and other large users	$3,419	$4,181	—	$12,074
Percent of total sales	6.2	36.7	—	91.3
Number of plants selling	12	5	—	64
To wholesalers and jobbers	$19,160	$5,423	$3,507	$1,155
Percent of total sales	34.5	47.7	36.4	8.7
Number of plants selling	75	8	24	23
To own retail stores	$1,181	—	—	—
Percent of total sales	2.1	—	—	—
Number of plants selling	11	—	—	—
To retailers (including chain stores)	$29,706	$1,770	$6,128	(m)
Percent of total sales	53.6	15.6	63.6	
Number of plants selling	75	7	23	
To household consumers	$63	—	—	—
Percent of total sales	0.1	—	—	—
Number of plants selling	6	—	—	—
Total Distributed Sales	$54,633	$11,374	$9,635	$13,229
Transfer to other plants in same organization	$825	—	—	—
Percent of total sales	1.5	—	—	—
Number of plants selling	4	—	—	—
Sales negotiated through agents, brokers, and commission houses: (Incl. above)	$2,111	(n)	$357	(o)
Percent of total sales	3.8		3.7	
Number of plants using	17		8	
Distribution Expenses of Plants Reporting in Full				
Number of plants reporting	70	2	17	28
Total net sales	(p) $36,120	$210	$5,377	$7,880
Total expenses	$3,821	$19	$621	$585
Percent of net sales	10.6	9.1	11.6	7.4
Payroll	$1,888	$9	$369	$306
Other expenses	$1,933	$10	$252	$279
Total Reported Distribution Employees and Payroll				
Number of plants reporting	110	4	27	58
Total employees	769	5	418	222
Male	654	4	402	162
Female	115	1	16	60
Total Payroll	(q) $1,929	(r) $10	(s) $685	(t) $358

FOR COMPARISON	1935	1929	1935	1929	1935	1929	1935	1929
Percent of Distributed Sales to:								
Own wholesale branches	2.0	5.3	—	No comparable information	—	No comparable information	—	—
Industrial users	6.3	5.5	36.7		—		91.3	89.6
Wholesalers and jobbers	35.1	31.4	47.7		36.4		8.7	10.4
Own retail stores	2.2	4.1	—		—		—	—
Retailers	54.3	53.5	15.6		63.6		—	—
Household consumers	0.1	0.2	—		—		—	—

Source: Bureau of the Census, "Census of Business-Distribution of Manufacturers' Sales", April, 1937, pp. 58-65.

FOOTNOTES: See next page.

Footnotes for Table K.

(a) Does not include cloth hats and millinery.
(b) The Census of Manufactures reports a preliminary value of products for this industry of $55,907,000 in 1935.
(c) The Census of Manufactures reports a preliminary value of products for this industry of $11,185,000 in 1935.
(d) The Census of Manufactures reports a preliminary value of products for this industry of $12,369,000 in 1935.
(e) The Census of Manufactures reports a preliminary value of products for this industry of $13,604,000 in 1935.
(f) Includes $1,034,000 purchased merchandise sold without processing and $312,000 received for processing materials owned by others.
(g) Includes $35,000 purchased merchandise sold without processing.
(h) Includes $76,000 purchased merchandise sold without processing and $37,000 received for processing materials owned by others.
(i) Includes $431,000 purchased merchandise sold without processing and $86,000 received for processing materials owned by others.
(j) There were also 5 plants which made no sales but received $288,000 for processing materials owned by others.
(k) There were also 12 plants which made no sales but received $2,624,000 for processing materials owned by others.
(l) There were also 6 plants which made no sales but received $171,000 for processing materials owned by others.
(m) Sales to retailers and sales not allocated to usual channels combined with sales to wholesalers and jobbers to avoid disclosure of individual operations.
(n) Sales negotiated through agents, brokers, and commission houses omitted to avoid disclosure of individual operations.
(o) Sales negotiated through agents, brokers, and commission houses omitted to avoid disclosure of individual operations.
(p) Includes $127,000 transferred to other plants in own organizations by 2 plants, excluded in computing expense ratio.
(q) Includes 176 full-time and part-time officers and employees, receiving $382,000, who were reported to the Census of Manufactures as engaged in production.
(r) Includes 4 full-time and part-time officers and employees, receiving $4,000, who were reported to the Census of Manufactures as engaged in production.
(s) Includes 39 full-time and part-time officers and employees, receiving $103,000, who were reported to the Census of Manufactures as engaged in production.
(t) Includes 139 full-time and part-time officers and employees, receiving $236,000, who were reported to the Census of Manufactures as engaged in production.

APPENDIX B

(1894)

Table AA.- Hats, Hat Bodies, and Braids: Imports for Consumption in the United States, 1938

Type	Number	Value a/
Fur-felt hats and hat bodies		
For men and boys b/	108,294	$ 227,477
For women and girls c/	399,703	380,641
Hat bodies of wool-felt d/	f/	1,798,853
Hats of wool-felt	g/	2,937
Hats of straw, grass, fiber, etc. e/	25,880,556	4,070,102
Harvest hats, less than $3 a dozen	12,796,548	347,808
Hat bodies (not blocked or trimmed)		
Paper	8,667,265	2,491,265
Other	4,018,716	911,030
Yoddo	1,229	794
Blocked or trimmed	7,464	15,186
Sewed	19,163	19,529
Braids, and willow sheets and squares not containing rayon e/	---	630,668

Source: Foreign Commerce and Navigation of the United States.

a/ Foreign value
b/ Mostly finished hats
c/ Mostly hat bodies
d/ Mostly for millinery
e/ For both the hat and the millinery industries. Includes 370,171 hats (valued at $284,490) from the Philippine Islands. These hats, imported duty free, appear in the total only.
f/ 2,083,031 lbs.
g/ 465 lbs.

Table BB -Fur-Felt Hats for Men and Boys a/ Imports for Consumption In the United States from Principal Sources, 1935-1937

Imported from	Number			Value b/		
	1935	1936	1937	1935	1936	1937
Italy	70,927	77,769	101,964	$181,483	$188,569	$229,123
Belgium	8,990	12,166	22,202	13,958	17,734	34,031
Czechoslovakia	12,074	4,017	14,597	13,346	6,158	31,764
France	6,262	7,292	10,304	15,739	18,118	26,700
United Kingdom	9,766	9,776	8,038	30,715	33,777	26,212
Other	2,175	837	1,676	2,016	1,994	3,095
Total	110,194	111,857	158,781	257,257	266,350	350,925

Source: Foreign Commerce and Navigation of the United States

a/ Includes hat bodies
b/ Foreign value

Table CC-Fur-Felt Hats for Men and Boys a/: Imports for Consumption from Principal Sources, By Value, 1937

Imported from	Value per dozen b/								
	Not over $6	Over $6, not over $9	Over $9, not over $12	Over $12, not over $15	Over $15, not over $18	Over $18, not over $24	Over $24, not over $30	Over $30, not over $48	Over $48
	Number								
Italy	-	-	36	-	6	16,182	61,891	23,846	-
Belgium	-	-	-	-	19,205	2,837	160	-	-
Czechoslovakia	-	1,524	2,603	1,278	80	361	325	7,946	480
United Kingdom	205	144	60	260	592	366	345	3,677	2,389
France	-	-	-	2,439	1,766	1,107	510	2,722	1,760
Other	600	12	-	158	199	2	65	616	27
Total	805	1,680	2,699	4,135	21,848	20,855	63,296	38,807	4,656
	Value b/ (in dollars)								
Italy	-	-	32	-	8	31,422	134,864	62,797	-
Belgium	-	-	-	-	28,503	5,191	337	-	-
Czechoslovakia	-	1,140	2,598	1,558	116	696	736	22,950	1,970
United Kingdom	41	93	50	308	809	655	848	11,739	11,669
France	-	-	-	2,944	2,461	1,912	1,082	9,539	8,942
Other	240	9	-	195	293	4	152	1,904	118
Total	281	1,242	2,680	5,005	32,190	39,880	138,019	108,929	22,699

Source: Foreign Commerce and Navigation of the United States.

a/ Includes hat bodies.
b/ Foreign value.

Table DD - Fur-Felt Hat Bodies and Trimmed Hats for Women and Girls [a]: Imports for Consumption in the United States from Principal Sources, 1935-1937

Imported from	Number			Value [b]		
	1935	1936	1937	1935	1936	1937
Czechoslovakia	352,584	536,657	545,178	$346,703	$527,656	$477,629
Austria	33,336	37,426	39,792	37,087	35,046	32,049
United Kingdom	4,645	12,436	6,131	10,959	26,787	10,995
France	17,808	62,111	5,514	32,910	80,998	8,453
Other	85,896	27,337	24,502	59,813	32,193	20,992
Total	494,269	675,967	621,117	487,472	702,680	550,118

Source: Foreign Commerce and Navigation of the United States.

a/ Mostly hat bodies.
b/ Foreign value.

Table EE - Fur-Felt Hat Bodies and Trimmed Hats for Women and Girls [a]: Imports for Consumption in the United States from Principal Sources, by Value Classification, 1937

Imported From	Value per dozen [b]: Not over $6	Over $6, not over $9	Over $9, not over $12	Over $12, not over $15	Over $15, not over $18	Over $18, not over $24	Over $24, not over $30	Over $30, not over $48	Over $48
	Number								
Czechoslovakia	2,160	300,788	178,498	54,069	6,783	2,668	212	1,054	183
Austria	60	31,901	2,681	3,644	1,158	302	46	499	21
United Kingdom	-	-	-	134	76	4,875	1,046	2,925	748
Switzerland	-	9,265	-	-	-	-	-	-	-
France	-	932	10	410	1,505	1,871	786	864	1,696
Italy	752	5,152	272	266	216	14	468	-	13
Belgium	-	1,500	-	-	1,511	288	-	-	1
Germany	-	1,904	1,677	-	3	129	-	-	5
Other	150	264	671	-	-	-	-	791	-
Total	3,122	351,706	183,809	58,523	11,252	10,147	2,558	6,133	2,667
	Value (in dollars) [b]								
Czechoslovakia	1,076	223,610	173,667	64,134	9,838	4,815	489	3,397	1,644
Austria	23	22,997	2,233	4,503	1,675	508	110	1,624	139
United Kingdom	-	-	-	143	111	8,485	2,256	9,458	4,124
Switzerland	-	6,884	-	-	-	-	-	-	-
France	-	772	8	489	2,126	3,250	1,808	2,787	22,302
Italy	364	3,738	263	322	315	26	1,120	-	204
Belgium	-	1,122	-	-	2,260	570	-	-	6
Germany	-	1,424	1,674	-	4	222	-	-	32
Other	20	172	492	-	-	-	-	2,423	-
Total	1,483	260,719	178,337	69,591	16,329	17,876	5,783	19,689	28,451

Source: Foreign Commerce and Navigation of the United States.

a/ Mostly hat bodies.
b/ Foreign value.

Table FF.-Wool-Felt Hat Bodies [a]: United States Imports for Consumption, By Countries, for Specified Years, 1929-1938

Imported from	1929	1933	1935	1936	1937	1938 [b]
			Quantity in dozens			
Italy	2,241;645	836;576	923;601	911;364	607;842	949;651
France	336;860	104;284	96;830	128;000	57;866	54;603
Czechoslovakia	113;555	8;755	10;501	24;575	5;496	1;000
Poland and Danzig	11,119	5,103	94;635	127;884	95;499	27;065
Japan	475	-	225;293	543;706	685;511	361;245
All other countries	678;862	5;218	20;059	44;777	6;933	3;555
Total	3,382,516	959,936	1,370,919	1,780,306	1,459,147	1,397,119
			Quantity in pounds			
Italy	4,012;321	1,415;932	1,409;776	1,397;857	968;098	1,416;835
France	668;779	175;180	162;440	210;233	102;354	92;961
Czechoslovakia	245;004	19;202	18;134	38;308	8;348	1;744
Poland and Danzig	22,983	10,299	149;405	197;194	150;596	42;875
Japan	993	-	359;648	830;457	1,065;842	523;379
All other countries	1;344;646	11;277	32;495	65;295	10;256	5;237
Total	6,294,726	1,631,890	2,131,898	2,739,844	2,305,494	2,083,031
			Value			
Italy	$5;371;930	$974;398	$1,354;834	$1,311;844	$1,057;995	$1,285;697
France	1,202;122	121;064	162;827	229;876	108;591	95;439
Czechoslovakia	485;547	14;788	20;727	39;321	10;482	1;907
Poland and Danzig	35;898	8,635	147;111	200;842	161;372	40;733
Japan	1;936	-	244;548	613;826	814;245	369;513
All other countries	2;070;499	6;525	25;827	65;193	10;122	5;570
Total	9,167,932	1,125,410	1,955,874	2,460,902	2,162,807	1,798,853

Source: Foreign Commerce and Navigation of the United States for all but 1938; 1938 from Schedule E of U. S. Department of Commerce

a/ Mostly for millinery.
b/ Preliminary.

Table GG - Wool-Felt Hats and Millinery a/: Imports for Consumption in the United States from Principal Sources, 1935-1937

Imported from	Number			Pounds			Value b/		
	1935	1936	1937	1935	1936	1937	1935	1936	1937
France	592	645	4,730	93	69	625	$879	$437	$7,017
Italy	—	4,542	2,530	—	630	389	—	701	830
United Kingdom	5,469	2,488	1,274	1,364	816	300	6,968	2,482	1,434
Austria	763	1,172	1,077	160	273	211	1,336	1,458	1,737
Czechoslovakia	15,158	6	766	3,199	1	116	3,217	5	524
Poland and Danzig	—	—	716	—	—	200	—	—	235
Japan	—	3,744	504	—	310	63	—	234	42
Hong Kong	—	—	480	—	—	274	—	—	171
Other	1,332	321	167	286	46	78	450	329	410
Total	23,314	12,918	12,244	5,102	2,145	2,256	12,850	5,646	9,400

Source: Foreign Commerce and Navigation of the United States.

a/ Blocked and/or trimmed; these are mostly for men's wear.
b/ Foreign value.

Table HH- Hat Bodies of Paper, Straw, and Palm Leaf (Not Blocked, Trimmed or Sewed) a/: Imports for Consumption, by Kind and Source, 1937

Kind and Source	Dozens	Value
Paper - Total	579,000	$1,307,000
Japan	568,000	1,289,000
Other	11,000	18,000
Straw - Total	363,000	1,465,000
Italy	189,000	756,000
Netherlands Indies	118,000	555,000
Japan	46,000	123,000
Other	10,000	31,000
Palm leaf - Total	89,600	675,900
Ecuador	73,900	574,600
Colombia	15,500	99,800
Other	200	1,500

Source: Foreign Commerce and Navigation of the United States.

a/ For both the hat and millinery industries. Harvest hats are excluded.

Table II -Hats and Millinery of Straw and Other Natural Fibers a/: Imports for Consumption in the United States by Kind, 1935-1937

Kind and Source	Number			Value b/		
	1935	1936	1937	1935	1936	1937
Blocked or trimmed, not sewed - Total	7,647	3,540	9,247	10,727	9,374	17,610
Straw	7,595	3,249	9,058	10,234	8,650	16,911
Italy	2,406	2,189	2,748	3,269	1,579	2,588
France	1,396	536	2,406	3,909	6,249	10,865
United Kingdom	1,416	270	1,454	1,786	355	2,260
China	---	---	1,130	---	---	65
Austria	---	77	846	---	61	902
Other	2,377	177	474	1,270	406	231
Other fibers	52	291	189	493	724	699
France	35	27	162	446	460	672
Other	17	264 c/	27	47	264	27
Sewed - Total	10,168	17,930	38,464	13,532	20,845	26,851
Blocked or trimmed (straw)	4,043	3,833	18,204	10,455	9,542	11,491
Switzerland	---	580	12,160	---	258	1,214
United Kingdom	2,508	2,252	3,909	4,080	3,934	4,148
Austria	6	503	1,008	93	623	1,047
France	690	427	539	5,678	4,545	4,640
Italy	666	---	406	546	---	381
Other	173	73	182	58	182	61
Not blocked or trimmed (straw)	4,741	10,322	9,428	2,298	8,886	9,269
Switzerland	856	4,607	5,387	765	3,039	3,547
United Kingdom	145	4,340	2,495	260	4,723	3,664
France	541	463	837	349	568	1,582
Italy	2,841	415	446	756	371	317
Other	353	497	263	168	185	159
Other sewed hats (not straw)	1,384	3,775	10,832	779	2,417	6,091
Switzerland	300	2,992	6,367	241	1,732	3,841
Italy	818	424	4,224	454	260	1,858
Other	266	359	241	84	225	392

Source: Foreign Commerce and Navigation of the United States

a/ Mostly for men's wear; does not include harvest hats.
b/ Foreign value.
c/ Included 254 hats from Italy valued at $215.

Table JJ - Harvest Hats a/: Imports For Consumption In The United States From Principal Sources, 1935 - 1937

Source	Number			Value b/		
	1935	1936	1937	1935	1936	1937
Netherlands Indies	4,730,380	7,930,323	11,514,864	$119,591	$133,381	$175,442
Mexico	3,460,936	4,257,510	3,956,885	95,728	118,076	116,588
China	833,647	1,331,814	1,524,194	18,814	21,395	20,080
Netherlands West Indies	156,180	233,376	344,220	23,908	32,265	53,561
Other	56,780	337,376	164,921	2,333	13,385	4,508
Total	9,237,923	14,090,399	17,505,084	$260,374	$318,502	$370,179

Source: Foreign Commerce and Navigation of the United States.

a/ Valued at less than $3.00 per dozen. Practically all unfinished; for men, women, and children.
b/ Foreign value.

Table KK.- Harvest Hats [a]: Imports for Consumption in the United States From Principal Sources, by Kind, 1937

Kind and Source	Number	Value [b]
Straw - Total	7,609,817	$169,357
Netherlands Indies	4,574,797	59,947
Netherlands West Indies	324,060	51,124
Mexico	1,312,829	38,482
China	1,273,394	16,889
Other	124,738	2,915
Palm Leaf - Total	2,949,576	$83,264
Mexico	2,637,576	77,949
Netherlands Indies	312,000	5,315
Pandan - Total	6,469,727	$107,962
Netherlands Indies	6,449,267	106,134
Netherlands West Indies	14,400	1,462
United Kingdom	6,060	366
Other - Total	475,964	$9,596
Netherlands Indies	178,800	4,042
Mexico	6,480	157
China	250,800	3,191
Netherlands West Indies	5,760	975
Other	34,124	1,231

Source: Foreign Commerce and Navigation of the United States

a/ Valued at less than $3.00 per dozen. Practically all unfinished; for men, women, and children.

b/ Foreign value.

Table L L Undressed Skins of Coney, Rabbit, Hare, Beaver, Muskrat and Nutria: Imports for Consumption in the United States from Principal Sources, 1935-1937 a/

Kind and Source	Number			Value b/		
	1935	1936	1937	1935	1936	1937
Coney and Rabbit-Total	c/	128,354,214	115,290,460	$13,973,303	$20,921,056	$19,699,589
Australia	c/	41,870,294	35,737,717	5,333,712	6,871,501	5,976,590
France	c/	22,666,432	21,425,925	2,755,181	3,978,296	4,600,682
Belgium	c/	21,501,335	19,502,381	1,193,282	3,006,927	2,367,931
Utd.Kingdom	c/	10,421,054	17,613,943	1,398,622	1,454,503	2,028,452
New Zealand	c/	12,543,014	8,488,460	1,537,767	2,765,650	1,816,128
Other	c/	19,352,085	12,522,034	1,704,739	2,844,179	2,409,806
Hare - Total	c/	8,686,378	7,999,415	775,736	1,329,959	1,371,344
China	c/	1,285,008	2,424,882	1,816	81,185	184,309
Russia	c/	1,830,377	1,993,458	113,175	289,202	399,216
Turkey	c/	576,168	636,785	59,921	101,912	137,052
Argentina	c/	1,418,920	600,034	107,344	270,405	125,953
Poland and Danzig	c/	221,219	555,103	25,972	48,157	149,270
Other	c/	3,354,686	1,789,153	467,508 d/	539,098	375,544
Beaver - Total	59,897	51,401	51,886	555,691	647,992	835,360
Canada	47,688	41,277	42,472	435,919	507,280	669,272
Utd.Kingdom	12,209	10,015	9,353	119,772	138,715	166,020
Other	--	109	56	--	1,997	68
Muskrat-Total	800,581	465,417	277,364	856,336	671,183	355,658
Canada	633,685	384,084	196,653	688,784	562,835	281,244
Utd.Kingdom	164,477	21,948	72,064	166,585	36,302	63,816
Other	2,419	59,385	8,647	1,467	72,046	10,598
Nutria - Total	47,320	43,826	26,963	148,009	208,021	126,368
Chile	10,026	19,301	14,576	13,637	57,244	44,618
Argentina	32,019	22,909	8,910	119,083	146,720	62,224
Other	5,775	1,116	3,477	15,289	4,057	19,526

Source: Foreign Commerce and Navigation of the United States.

a/ These are the principal furs used in fur-felt hat manufacturing. However, it should be noted that the figures shown here are without regard to the uses to which the imports may be put.

b/ Foreign value

c/ Unavailable.

d/ In this year, the value of hare imports from the United Kingdom was $189,544 and from Germany, $135,363.

Table MM- Hats, Hat Bodies, Braids, etc.: Rates of Duty When Imported for Consumption in the United States, April, 1939

Commodity	Rate of duty	Fixed by
STRAW		
Braids of straw, manila hemp, etc.		
Bleached, dyed, etc.	25 percent	Par. 1504(a), Tariff Act of 1930
Not bleached or dyed	15 percent	
Harvest hats, valued at less than $3 per dozen	12½ percent	Trade agreement with Netherlands, effective Feb. 1, 1936 a/
Other hats of straw, palm leaf, paper, etc.		
Not sewed and not blocked or trimmed		
Made of toquilla straw	12½ percent	Trade agreement with Ecuador, effective Oct. 23, 1938 a/
Other		
Bleached or dyed, etc.	25 percent plus 2½ cents each	Par. 1504(b), Tariff Act of 1930
Not bleached or dyed, etc.	25 percent	
Sewed, whether or not blocked or trimmed	$3 per dozen plus 50 percent ad valorem	Presidential Proclamation, Mar. 7, 1931 b/
Sewed and blocked or trimmed straw hats valued at $15 or more per dozen	$2 per dozen plus 30 percent ad valorem	Trade agreement with United Kingdom, effective Jan. 1, 1939 c/
Blocked or trimmed but not sewed	$3.50 per dozen plus 25 percent ad valorem	Trade agreement with France, effective June 15, 1936 d/
Yeddo hats, blocked but not trimmed	$3.50 per dozen but not less than $1.75 per dozen plus 25 percent ad valorem	Trade agreement with Switzerland, effective Feb.15, 1936 c/

a/ Under par. 1504(b) of the Tariff Act of 1930, the rate was 25 percent.

b/ Under par. 1504(b) of the Tariff Act of 1930, the rate was $4 per dozen, plus 60 percent ad valorem.

c/ Under the Presidential Proclamation of March 7, 1931, the rate was $3 per dozen, plus 50 percent ad valorem.

d/ Under par. 1504(b) of the Tariff Act of 1930, the rate was $3.50 per dozen, plus 50 percent ad valorem.

Commodity	Rate of duty	Fixed by
WOOL		
Wool noils		
Carbonized	21 cents per lb.	Trade agreement with United Kingdom, effective Jan. 1 1939 e/
Not carbonized	16 cents per lb.	
Raw wool	34 cents per clean lb.	Par.1105, Tariff Act of 1930
Wool-felt hat bodies		
Pulled, stamped, blocked, or trimmed	40 cents per lb. plus 55 percent ad valorem plus 12½ cents per article	Customs Administrative Act of 1938, effective June 25, 1939 f/
Not pulled, stamped, blocked, or trimmed	40 cents per lb. plus 55 percent ad valorem	
Any of the foregoing, if blocked or trimmed, valued at more than $12 per dozen	40 cents per lb. plus 40 percent ad valorem plus 8 cents per article	Agreement with United Kingdom, effective Jan. 1, 1939 g/
FUR		
Furs		
Undressed	Free	
Hatter's fur (cut or carroted)	27½ percent	Agreement with Belgium, effective May 1,1935 h/
Fur-felt hat bodies and hats	25 percent plus:	Par.1526(a) of the Tariff Act of 1930
Valued at not over $6 per doz.	10-5/12 cents each	
Valued over $6 and not over $9 per dozen	20-5/12 cents each	
Valued over $9 and not over $12 per dozen	41-2/3 cents each	
Valued over $12 and not over $15 per dozen	50 cents each	
Valued over $15 and not over $18 per dozen	58-1/3 cents each	
Valued over $18 and not over $24 per dozen	75 cents each	
Valued over $24 and not over $30 per dozen	$1 each	
Valued over $30 and not over $48 per dozen	$1.08-1/3 each	
Valued over $48 per dozen	$1.33-1/3 each	
For men's or boys' wear, trimmed or untrimmed, valued at more than $48 per dozen	$16 per dozen plus 15 percent ad valorem	Agreement with United Kingdom, effective Jan. 1, 1939 i/
For women's or girls' wear, trimmed or untrimmed, valued at more than $18 and not more than $48 per dozen	50 percent	

e/ Under par. 1105 of the Tariff Act of 1930, the rates were 30 cents and 25 cents per pound, respectively.

f/ Same rates as established by Presidential Proclamation, Apr. 15, 1931. Under 1115(b) of the Tariff Act of 1930, rates were 40 cents per pound, plus 75% ad valorem, plus 12½¢ per article if pulled, stamped, blocked or trimmed.

g/ Previously rates were identical with other blocked or trimmed wool-felt hats.

h/ Under par. 1520 of the Tariff Act of 1930, the rate was 35 percent.

i/ Previously rates were identical with other fur-felt hats of the same value.

Source: Tariff Act of 1930, Presidential Proclamations, and Trade Agreements.

Table NN Hats and Millinery a/ : Exports from the United States by Type, 1935-1938

Type	Number				Value			
	1935	1936	1937	1938	1935	1936	1937	1938
Men's and boys' fur-felt hats	55,591	97,762	140,871	102,697	$142,726	$ 257,882	$ 341,733	$ 244,555
Women's and girls' fur-felt hats	32,419	49,612	38,525	56,886	63,791	93,779	83,221	102,636
Wool-felt hats	76,952	159,490	198,678	176,135	84,718	115,461	152,987	142,208
Straw, etc.:								
Finished, sewed body		424,596	244,257	250,438		266,734	183,956	179,855
Finished, woven body	363,778		149,195	150,473	213,758		110,979	142,877
Harvest hats b/		78,567	118,489b/	75,698b/		19,219	58,382	21,921
Other hats, caps, berets	603,899	945,690	838,008	792,024	316,758	419,018	456,096	371,466
Total	1,132,639	1,755,717	1,728,023	1,604,351	821,751	1,172,093	1,337,354	1,205,518

Source: Foreign Commerce and Navigation of the United States.

a/ There is no separate classification for hat bodies.

b/ Includes all bleached, dyed, or colored hat bodies which have not been blocked or trimmed.

Table 00 Fur-Felt and Wool-Felt Hats and Millinery: [a] Exports from the United States to Principal Markets by Kind, 1935 - 1937

Kind and Market	Number			Value		
	1935	1936	1937	1935	1936	1937
Men's and boys' fur-felt hats	55,591	97,762	140,871	$142,726	$257,882	$341,733
Mexico	9,548	29,504	67,022	22,550	73,914	148,122
Cuba	12,595	7,943	10,643	31,267	24,723	37,439
Colombia	1,572	7,557	7,865	5,250	19,387	18,688
Japan	4,138	5,052	7,058	2,421	14,604	21,684
Other	27,738	47,706	43,278	81,238	124,754	115,800
Women's and girls' fur-felt hats	32,419	49,612	38,525	63,791	93,779	83,221
Canada	15,701	24,063	17,077	43,355	59,742	44,983
Australia	2,223	1,935	3,385	5,199	6,161	7,734
Colombia	386	1,029	3,083	489	1,865	3,547
Union of South Africa	3,392	4,393	2,764	3,004	6,113	3,726
Mexico	1,602	858	2,080	1,942	2,798	6,513
Other	9,115	17,329	10,136	9,802	17,100	16,718
Wool-felt hats	76,952	159,490	198,678	84,718	115,461	152,987
Philippine Islands	12,918	43,149	56,092	12,811	17,686	12,419
Union of South Africa	11,042	28,210	27,959	6,677	17,629	15,836
Canada	7,913	15,599	21,400	10,577	20,537	33,600
Japan	690	9,666 [b]	13,627	573	577 [b]	10,142
Cuba	7,277	12,647	10,480	5,307	6,555	5,669
Panama	2,853	9,796	10,211	2,878	4,845	8,193
Other	34,259	40,423	58,109	45,895	47,632	67,128

Source: Foreign Commerce and Navigation of the United States.

a/ There is no separate classification for hat bodies.

b/ Either the number of hats or the value appears erroneous.

Table PP Hats and Millinery of Straw, Palm Leaf, etc. a/: Exports from the United States to Principal Markets, 1937

Kind and Market	Number	Value
Finished, sewed body - Total	244,257	$183,956
Union of South Africa	52,108	36,880
Canada	31,452	42,140
Panama	22,223	9,941
Netherlands West Indies	19,828	10,765
British West Indies	28,478	15,854
Other	90,168	63,376
Finished, woven body - Total	149,195	110,979
Netherlands West Indies	32,258	11,458
Panama	21,125	7,741
Brazil	14,621	8,594
Dominican Republic	11,121	5,487
Union of South Africa	10,858	7,108
Canada	9,682	19,963
British West Indies	11,996	8,032
Other	37,534	42,596
GRAND TOTAL	393,452	294,935

Source: Foreign Commerce and Navigation of the United States.

a/ Excluding harvest hats and hats not blocked or trimmed.

Table 22 Hats and Millinery of Straw, Palm Leaf, etc.: Export from the United States to Principal Markets, 1936.

Kind and Market	Number	Value
Harvest hats - Total	78,567	$19,219
Union of South Africa	25,896	5,421
Canada	23,276	5,149
New Zealand	6,102	1,037
Cuba	4,550	1,003
Other	18,743	6,609
Other hats of straw, palm leaf etc. - Total	424,596	266,734
Netherlands West Indies	71,265	32,776
Union of South Africa	66,409	29,102
Panama	49,268	19,827
Canada	48,227	56,167
Dominican Republic	20,754	14,265
Other	168,673	114,597

Source: Foreign Commerce and Navigation of the United States.

APPENDIX C

(1894)

Appendix C

So-called productive workers in the hat industry are those engaged in the following operations: 1/

(a) Fur-felt hat industry

Back shop operations:
- Fur mixing and blowing
- Feeding
- Coning and hardening
- Starting
- Sizing by machine:
  - "A" machine
  - "B" machine
  - Multi-roller
  - All other automatic sizing machines
- Sizing by hand
- Cone blocking
- Stretching and blocking
- Dyeing
- Stacking and drozing
- Pouncing

Front shop operations:
- Finishing:
  - Jiggering
  - Crown pouncing
  - Pressing
  - Hydraulicking
  - Rounding
  - Curling
- Flanging by hand or machine:
  - Bagging
- Ironing by hand or machine
- Blocking
- Slicking
- Trimming
- Packing

(b) Wool-felt hat industry

- Carding
- Specking
- Milling
- Dyeing
- Stamping
- Automatic sizing machines
- Crown press
- Hydraulicking
- Flanging and bagging
- Slicking
- Curling
- Twisting
- Stiffening
- Blocking and tipping
- Fulling
- Hardening
- Pouncing
- Trimming
- Packing

(c) Straw hat industry

- Blocking
- Flanging
- Pressing
- Hydraulicking
- Sewing machine operating
- Curling and welting
- Bagging
- Sizing
- Brushing
- Finishing and polishing
- Washing
- Trimming
- Packing

1/ Operations in the processing of hatters' furs are not completely listed.

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